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# SUNDAY TIMES business news

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## 8 POINTS TO CURE THE JOBLESS TRAGEDY

IT IS NOW too late for the Government to do much about this winter's magic unemployment. But what can do if the new number—1 million—not to be a permanent blot on the economic landscape? The Sunday Times itself has persistently urged an expansionary economic policy, even after this July's mini-Budget, in the last few months a special series of articles showed how this year's unemployment was more serious than since the war, not just because the numbers were greater, but also because any recovery will require fewer new recruits than previous years of growth.

Here we present eight Business news ideas for action:

Private investment is now at its west ebb for years. Businessmen

have no confidence in a sustained recovery—and have plenty of capacity to deal with foreseeable growth for years to come anyway. Three ways of getting private investment moving.

- Free depreciation on newly-bought plant and equipment, with no limitations as to industry or area. But free depreciation only for a limited period—fill the beginning of 1973, when Common Market entry should bring a new boost.
- To help the regions. Allow com-

panies to reduce their tax bill by the amount they invest in depressed areas.

- Take a lesson from the Coventry shop-stewards who wanted to smash old machine tools, to encourage the purchase of new ones. Let the State buy old ones at inflated prices from companies who buy new ones. Of course there would be fiddles. So what!
- In the public sector spend on the many schemes now just waiting

to be implemented by nationalised industries. Electrify all the lines the railways want to improve; get new power stations under way; a major new steel works or two—one for the North East, one for Scotland. Prepare our ports for entry into Europe.

- Social spending: take the present depression as an opportunity to replenish the country's social capital. And for once spend big, spend soon and spend with the central government's money.

- In the short term—allow local authorities to bring out now all their small capital-spending proposals, and arrange emergency finance by the Treasury to give them the money. This would allow a start on school extensions, minor road works, better sewerage, improved lighting.

On a longer view thousands of secondary schools need rebuilding. Do it now. Millions of houses need to be improved or built with public money. Hundreds of hospitals still date from

Florence Nightingale. Replace them.

- Social services: recognise that men and women who have worked for 40 years are unlikely to get new jobs and deserve well by the community. Pay them pensions; and improve pensions for everyone, as the surest way of getting consumer spending going.
- There are tens of thousands of qualified people out of work, so improve the training and staffing of everyone in the public services. Not more civil servants. But more—and better paid—teachers, nurses, hospital administrators.

It goes against the Tory grain to spend and spend and spend again. But only direct action by the central government can speed up the economy when the private sector has no confidence.



## TRUST HOUSES FORTE Crowther declares war

BY AZIZ KHAN-PANNI

PEN WAR has now been declared in the quarrel between the Trust Houses and Forte factions in Britain's largest hotels group, Trust Houses Forte.

This weekend, Lord Crowther took his public silence with a harsh attack on Sir Charles Forte personally and his management ethos. Among the points he raised were:

- That Sir Charles Forte is attempting to purge the Trust Houses directors.
- That Sir Charles had begun a quarrel with the opportunist picking of Michael Pickard, the former TH managing director, at a time when the absence of a H director abroad gave the Forte side a temporary majority.
- That it was Sir Charles who was the aggressor when he refused to abide by the compromise agreement, following Pickard's removal, to run the two groups on an autonomous basis until new and acceptable arrangements could be agreed.
- That TH directors are alarmed by Forte management methods.

"The issue between the two

sides of the board," he told me, "is not just a personal squabble. If it were, it would have been settled long ago. It is about fundamental principles of management, efficiency and behaviour. Nor is it confined to the boardroom. Many of the Trust Houses executives view with alarm and despondency the prospect of being permanently subjected to Forte management, the nature of which they are now able to observe at first hand.

"Nobody deplores the harm that the dispute is doing to the company more than I do. I wish it could be determined at once. The difficulty is that the Trust Houses directors have no means of bringing it to a head before the annual general meeting next April. It is all very well for Sir Charles to say that if only we would stop quarrelling with him, everybody would be happy. That has been the cry of the aggressor all through history. He springs an attack, gains something, and then says 'Why can't we be friends.'

"There have been repeated suggestions from the Forte side that the best way to end the fight would be for the Trust Houses

directors to resign. Why should we? It is not we who have divided the board, or taken advantage of chance majorities to make fundamental changes in arrangements specifically agreed at the time of the merger.

"None of the matters that have caused contention in the board—not one—has been raised by us. They have all been started by the Forte side—usually without any notice. And I am sure that there are more coming, as Mr Pickard is not the only person that Sir Charles is determined to get rid of on one pretext or another.

"As for myself, I am increasingly impatient to retire, but I shall not do so at the sacrifice of principle. The agreement made at the time of the merger that I would resign in favour of Sir Charles Forte next May was tied to another agreement that Mr Pickard should be group managing director, which Sir Charles has broken. So I consider myself quite free to decide when the time comes.

"As for the possibility of splitting the company back into its original components, it was suggested by one of our professional advisers that a divorce might be possible, and members of the Council (a group of trustees who control 50% of the votes in Trust Houses Forte) also showed a great interest in the idea. I thought it was my duty as chairman to see that anything that might lead to an amicable and satisfactory solution was examined. But personally I have never attached any great hopes to it, if only for the reason that it would obviously have to be agreed by all parties. And in any case, I don't yet know whether the experts think it is technically feasible.

"This follows a week of controversy during which leaked reports to newspapers had suggested that Lord Crowther would be willing to accept Sir Charles' nomination as chairman. Sir Charles himself was not available to comment on Lord Crowther's statement. But the former Forte managing director, Eric Hartwell, an old associate of Sir Charles, maintained that "it was absurd to suggest that disagreement ran right through the company. Apart from two executives, the TH management are right behind Sir Charles in his efforts to run a successful company. All we want is to be left in peace to get on with the job."



## Shock facts about equal pay

With equal pay just four years away, the earnings of Britain's women are still trailing far behind those of men. And if they add up their pay packets, many women will find themselves actually worse off, relatively, than they were when Barbara Castle brought in the Equal Pay Act last year.

On page 65 VINCENT HANNA starts a two-part series on equal pay and reveals:

- THE NEW INDUSTRIAL APARTHEID: how women are segregated to save money.
- THE EQUAL PAY ACT SWINDLE: seven ways of cheating female workers within the law.
- FRINGE BENEFIT FIDDLES: how Britain's women lose out under private pension and sick pay schemes.
- AN EXCLUSIVE SURVEY of 44 of Britain's top companies to discover what is really happening in the equal pay race

Romance plus 10%  
Keith Richardson sums up RTZ's prospects p61

Commercial radio  
Terry Hughes on the local boys v the giants p59

Can fast-running property man Nigel Broackes alter course?  
Aziz Khan-Panni p 56 & 57

## US to raise gold price next month

BY MALCOLM CRAWFORD and GODFREY HODGSON

HIGHLY authoritative sources in Washington are now confident that President Nixon will announce an increase in the price of gold of between 6% and 8% before the end of the year. Although US Treasury officials are still trying to persuade Treasury Secretary John Connally not to do so, the decision is mainly Connally's, and the signs are flashing clearly that this is the quickest and surest way of bringing about the realignment of exchange rates the US requires.

Although a rise in the gold price is the method of devaluation enshrined in International Monetary Fund rules, the US has not done this, partly because of the Treasury's fears of how it would influence the future behaviour of foreign central banks (it might stoke their tendency to hoard gold) and partly because they did not believe it would bring off the rate realignment desired. Private discussions have lately revealed much less to fear on both these counts than there was three months ago.

It is now clear that if the US raises the dollar price of gold by up to 8%, no European country of any importance will counter-devalue. A rise of 8% would mean official gold at \$37.80 (though this will remain theoretical, as the gold window will not be re-opened), and the pound sterling at \$2.5920.

Key European countries have

agreed that they will not undercut each other if the US does this. But some, notably France, are unwilling to let their currencies rise unless the US is seen to be taking the initiative. For this reason, currency experts are describing the proposed increase as a "purely cosmetic" increase in the price.

The yen would still be required to rise by a larger amount. Japan is said to have proposed a rise of 10%, with a wider band that would permit an increase in the actual rate (above the old par value) of 12½%. The US is holding out for more.

## Suicide hits Swedish merger

THE CONTROVERSIAL merger of Sweden's two most influential banks, the Enskilda Bank and the Skandinaviska Banken may not go through as a result of the assumed suicide of Marc Wallenberg, managing director of Enskilda, revealed this weekend.

He was largely instrumental, in the plans to merge the two powerful banks. These plans were at the time bitterly opposed by his father, Marcus Wallenberg and others who felt the combination might have too much influence on industry.

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## Barclaymoan

MR BELL of Sheffield read the Shop story about bank loans and went along to his local Barclays to ask for one. He doesn't have an account there, but then Barclays make rather a lot of fuss about the fact that in their case that isn't necessary. Or rather, Barclays head office says it isn't necessary. The bank manager Mr Bell saw in Sheffield wrote: "If you are prepared to open a current account into which your salary would be received each month, we will proceed further with your application."

So what's all this about Barclay loans being available to non-customers? Head office says each loan is a matter for the discretion of the local manager, and they can't force the Sheffield branch to support the bank's declared policy if he doesn't want to. Which is little consolation to Mr Bell, or anyone else misled by Barclays' offer.

## Sleep longer

IF YOU'RE thinking of buying a new bed, don't be caught out by the change to metric sizes and find that none of your sheets and blankets will fit it. Beds went metric at the Earl's Court furniture show in February, and although the old standard 3ft and 4ft 6in sizes are still being made, they have been renamed "small sizes" and the new standards are 100cms by 200cms (3ft 3in by 6ft 6in) and 150 cms by 200 cms (4ft 11in by 6ft 6in). The change in width may not be too much of a problem, but there could be a draughty difference around your toes.

The bedding manufacturers have been slower to follow suit. The buyer at John Lewis says he has yet to meet a manufacturer working on a metric scale, though his shops do stock sheets, measured in inches, that will fit the new beds. And Heal's buyer points out sadly that though Mary Quant's 1970 range of bed linens has now been brought out in sizes to fit the giant beds, her 1971 range is still in the old standard sizes. It's a pity the most up-to-date beds (and manufacturers report a swing towards

## SHOP!

Edited by BRENDA JONES

larger beds of up to 20% in the past three years) can't be matched by the latest in linens.

## Put up more flags

YOU MAY be surprised as I was to learn that people are having great difficulty in buying Union Jacks. At least, so Mr. D. G. Thomas says, and he should know since he works for George Tutill Ltd., makers of flags and banners. Every day, apparently, he gets desperate phone calls from people wanting flags to pin on the wall, flags for shirts, bikinis and bedspreads, flags for Mormon missionaries ("regular purchasers"), and American cousins.

Well, if you've been kept awake by this patriotic problem, your search is at an end. Tutill send flags of wool bunting, or wool and nylon, roped and toggled ready for flying, by post. A 3ft. by 1ft. 6in. flag costs £2.15 (wool) or £2.65 (wool and nylon); 4ft. 6in. by 3ft. 9 in. is £3 or £3.70 and the 6ft. by 3ft. superflag is £4.25 or £5.30, from 9 Higham Road, Chesham, Bucks.

You can sit down now.

## Mushroom cloud

THESE ARE sad times for mushroom fanciers. The autumn crop is down by 20% to 30%, and shoppers are having to pay at least 10p a lb in most shops. Covent Garden wholesalers who normally get top quality mushrooms for 17p to 22p are having to pay 25p to 32p, and finding them difficult to come by even at that price.

Growers blame a number of factors. A shortage of wheat straw is one; this has forced them to grow their mushrooms in

corn straw and they don't crop as well in this. But the main culprit is the unusually dry weather. Although mushrooms are grown under cover, it is difficult to maintain the right humidity in dry spells and September had only 35% of its normal rainfall this year, October 77%. November's rains have brought an improvement, but as a crop takes 10 to 11 weeks to grow, supplies are unlikely to be back to normal before the new year.

## No match

ONE OF the advantages of buying storage furniture in units should be that you can add matching pieces as your needs and pocket dictate. But a reader reports a different experience with Stag's Opus range. She ordered new cupboards, and found them 13 inches taller than her old ones. She sent them back, but is disappointed that she can't now go on in the same style.

The reason for the change, says the manufacturer, was a change in purchase tax legislation a couple of years ago which exempted furniture over 7ft 6in high, without top, back or end, from purchase tax. The Opus range at that time measured 7ft 4½in so it was heightened to take advantage of the exemption.

Stocks of the old sizes were kept for about three months, but there are none left now, even though the purchase tax law has changed again and wiped out the benefit. So if you're thinking of adding to your Opus range, it's worth running a tape measure over it first. And if you're buying unit furniture of any sort, it's worth checking with the manufacturer before you start to see how long he intends to keep it available.

## Cheap and skinny

BACK IN April I wrote about the difficulty of finding shoes for narrow feet and lamented that Elliott's shoes were beyond the reach of many people. Well, they took my words to heart, and this week they launched a new range of cheaper skinny-fitting shoes, to be sold at their Regent Street branch. They have aimed to centre the prices around £6.95—casual swedes start at £4.95, court shoes at about £8.95. Still not cheap—but they are all leather and look marvellous.

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The only thing that's dry is the company's coffer

FOR A FIRM first started back in 1825, it takes a terrible hammer for cash to produce a public flotation. Arthur Bell, distiller of the biggest (if shortest) name in Scottish whisky, is very hungry indeed.

In 1970, the year when the giant Distillers Company forced a price war in whisky which sent the profits of firms like Teachers and Long John crashing, Bells paid out £390,000 in interest charges on its development programme. That, with lost sales and lost margins in the rear-guard action against Distillers, sent pre-tax profits down to £1.03 million, their lowest ebb since 1962. Bells looked to be in trouble.

The profit forecast in the offer documents now promises a £1.8 million profit in 1971, the highest ever. But when a firm goes public for no other reason than to pay off its debts, the cost of being in debt any longer is the P/E which bankers Morgan Grenfell put on Bells at 130p a share begins to look nothing more than reasonable.

Historic P/E's in the sector are inflated by last year's profit crash; depressed earnings have to be balanced against the hope of much better things. Without that £1.3 million it stands to make from the issue, all the booming Christmas sales you care to add would hardly make Bells an attractive buy.

In Scotland, Bells leads the whisky market; a March survey revealed that 34% of the people who favour a particular brand of whisky chose Bells. The nearest rival had around 11%. Bells produced a surplus of malt whisky—only 40% goes into its own blends. It buys in all the grain whisky in its blended product. It exports 51% of its production, with only a quarter of that going to North and South America. Its share of the US market, where Scotch whisky is fashionable despite the threat of the newly blended American light whisky, is very small.

So Bells has a strong home market, and tremendous potential for expansion in the US—where its agents are spending \$1 million a year to get recognition of the Bells name. It has only a small interest in the increasingly popular "single malt" whisky—the whisky which is not a mix of ingredients, but a pure whisky distilled from malt in one place. Bells managing director Ray Miquel says that: "Less than 5%

NEW ISSUES

of the whisky market in the UK and Europe is for straight malts. All this other talk about lighter spirits—we don't even listen to it."

Bells will hope to avoid a repeat of last year's price war when Bells jumped first with a price increase in April. Distillers announced in summer an October price rise, then Bells was forced into price cuts in September to block the massive buying of Distillers stock for Christmas sales. "I have no bitter thoughts about what happened last year," Miquel says. "But in the fragmented whisky industry, the industries are bitter enough to make the same sort of price war feasible again. Last year, Distillers' marketing tactics were enough to knock Bells' turnover by 20%."

The charity that has controlled Bells up to now—the Gannochy Trust whose good works stretch from student hostels to old people's homes—is giving up control of Bells. After the issue, it will hold only 49%. Bells plans for a 10% growth each year, realistic—but only if it can avoid price wars. Production capacity is vast, the brunt of the capital expenditure programme has been borne, and the issue makes the earnings less spectacular. If you are prepared to accept the risk

that Bells, with no acquisition plans and no interest in the single malt business beyond its present holdings, will be left behind in the merger game, the Scotch people may play enthusiastically, this could be a good buy. It has almost delivered the profits that justify that low P/E already, and at 130p, in the tradition of famous name companies, the issue should attract plenty of money from the customers.

Also next week, Longton Transport comes to market, the ICFP stable that spawned the spectacularly successful Francis Parker building share. This one is far more solid, a transport business which now finds 46% of its profit in steel stockholding, and plans to expand that way. Its £377,000 profit forecast produces an 11.8 P/E which reflects a solid business with no glamour to speak of. Longton is the old reliable of the week.

L.A.S.C.V., having fought the good fight, I cannot deny a word of congratulation to Bob Tanner and Peter Whitfield, the disappearing Clubmen whose return to the stock market has proved as triumphant as I ruefully predicted. After massive over-subscription for shares in their Orme Developments, they ended Wednesday's first day dealings at 102p against the 70p issue price and followed through to end the week at 118p, reminiscent of the heady days of 1968.

Michael Pye



Composite insurance shares going cheap • monopoly merger chaos

● Royal Insurance's nine month returns underlined just how strongly the big composite insurance companies are recovering. So far underwriting has turned round from a £4.2 million loss to a £3.1 million profit, hauling three-quarter stage profits up to last year's annual level of £30 million. Royal's shares responded with a rise from 402p to 425p. But according to at least one measure, composite insurance shares as a whole are still undervalued.

Specialist brokers, Reed Harst-Brown argue that the price/earnings ratios that are beginning to be used for insurance companies are ill-suited, because the three sources of profit—steady investment income, life profits and widely fluctuating underwriting results—cannot just be lumped

MARKETMETER

in one package. Instead they say, dividends are a much better guide to the long term trends. On this basis, history suggests that when the yield on insurance shares is more than 80% of that on the all-share average, they are undervalued. If they yield less than 80%, the all-share average yield of the all-share index, i.e. cheap. But in addition the composites' dividends will probably rise by around a tenth for this year.

● National and Commercial, the Royal Bank of Scotland and Williams and Glyn's group, is not typical of its four much bigger

clearing-bank rivals. But the rise in net profits from £12.2 to £14.9 million (ignoring a £500,000 special bad debt provision) shows a big upsurge in the second, March to September, half. This underlines the point that falling interest rates are not a big threat to bank profits if they can raise or even maintain their average lending margins. So on the strength of first-half performance the big banks are probably on prospective price earnings ratios around National and Commercial's 11.

● Oldham International shareholders should be mighty grateful to the Department of Trade & Industry. Not only were Oldham shares languishing below Chloride Electrical's offer at 48p before the DTI approved the merger. The move fished out a

£13 million 60p a share counter-offer from once-repulsed Carlton Industries, which had been busy adding to its 25% stake. Oldham shares, now 82p are raring for the fight. The trouble for every-one else is that the DTI's bid approval of the monopoly Chloride/Oldham merger without giving any policy statement on the general question of monopoly mergers at home in the context of the Common Market leaves a situation of total confusion for industry and shareholders. Are we to believe that the floodgates are open for monopoly mergers or will each case be judged on its individual merits? In which case how do you argue about effective competition in the Common Market when in many industries from cement to batteries this is largely a matter of guess-work.

INDICATOR	PROFITS	DIVIDENDS	MAIN INDICES
Last week	£4.0m (-12.8%)	Up: 37 Down: 7 Same: 26	The Times Industrial Share Index 160.85 (+5.06 on the week)
Last 52 weeks	£5.037m (+4.6%)	Up: 1,670 Down: 562 Same: 1,516	The Dow Jones industrial average 870.67 (-1.29 on the week) FT-Actuaries all-share index 178.77 (+5.24 on the week)

Bardolin's ground-floor stake in the housing boom

HOUSEBUILDING companies are getting some quite fancy ratings on the stock market. But it is still possible to buy into a good company near the ground floor. Bardolin's erratic recent past, with missed forecasts and boardroom upheavals, overhangs its shares. Yet the previous record is good enough, profits last year rising by a stout £1.04 million and Bardolin's house-building division has been working flat out in possibly its best-ever year. Now that Edward Fletcher has replaced Jock Mackenzie as chairman, there is no reason why the market should not forecast Bardolin's two missed forecasts last year.

Bardolin now operates mainly in the Midlands and the East of England. And despite rising employment, there appears to be a six-month waiting list for its

improved cash position (short term borrowings are £4 million at £3 million), "excellent forward sales and substantial land acquisitions made through out Bardolin's areas of operations, profits for the year to April next have been cautiously forecast by £1.12 million as likely to show a further satisfactory increase." In fact, believe that this represents minimum 30% increase, which will bring the P/E down to less than eight at 27p. For a company operating in a growth area like housebuilding that looks far too low. The shares have in fact come up from their low point of 10 earlier this year, when disillusioned investors were bailing out. The mood has now changed, an investors should get in quick before the price runs away.

Aziz Khan-Pan

Slater carves himself a slice of Spillers

□ Looking over the courtyard from his swish offices on St Paul's Churchyard Jim Slater has had the condition of Spillers, opposite, very much in his sights. Market men now reckon that his move around a sizeable chunk of Spillers shares jogged the price up a net 31p to 59p last week. The bread price rise and excellent profits record—down from petfood and flour and newly rationalised milling are the bull points for the share.

□ Look for the first signs of a price rise in Slater's half-year results this week. The turn-round from last year's £247,000 loss is well under way, and the short-term effects, after much planning of the failure to merge with British Sidac are earshot. The point to note is that the old mill is still striking example of hope and faith. The

faith is probably not misplaced, but remember the price at this level bears no relationship to present asset value.

□ Something is up in Cullen's Stores, the 130-odd chain of traditional grocers where so many Londoners still prefer to shop. Recent buying in a very tight market has pushed the Ordinary shares up from 62p to 105p an the non-voting A shares from 47p to 69p in a couple of months. Though Cullen's is scheduled to turn round from loss to profit this year, trading recovery is certainly not the motive—Cullen's has some good sites in central London. But even at this price a bidder might find it hard to tempt out the shareholders or family and friends. Likely company promise is a "sighter" bid by the share buyer to illuminate this potentially rich scene.

THE SUNDAY TIMES MARKET MOVEMENTS

1970/71 High/Low	Stocks	Price	Ch/g	Div. Yld.	P/E	1970/71 High/Low	Company	Price	Ch/g	Div. Yld.	P/E	1970/71 High/Low	Company	Price	Ch/g	Div. Yld.	P/E	1970/71 High/Low	Company	Price	Ch/g	Div. Yld.	P/E
294 1/2	5% Sav. S.	104.75	0.25	4.2	2.1	104 1/2	5% Sav. S.	104.75	0.25	4.2	2.1	104 1/2	5% Sav. S.	104.75	0.25	4.2	2.1	104 1/2	5% Sav. S.	104.75	0.25	4.2	2.1
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business news City, investment, money

Financial Editor GRAHAM SEARJEANT

# Gravel bid: the hole story

THE TAKE-OVER BATTLE between Ready Mixed Concrete and Redland is a vital one. The victor will be among the first British companies to clean up in Europe.

Both companies have already jettisoned dominant shares in their particular corners of the building materials business in Britain and have used this strength to back more profitable ventures overseas. Redland in Australia and both significantly in Germany. Overseas interests already provide two thirds of the profits and a third of the sales. They have already discovered that it is relatively easy to highly profitable to seize big chunks in Europe's highly fragmented industry and both are in a better position than the traditionally much larger far-flung cement companies to take pickings.

Redland ran up its colours first with a bid for Purle Brothers, a dominant British waste disposal group, as the first new move in its attack. How closely it had been thought through, Redland shareholders will have to decide when they vote the new shares necessary to make the deal. After all, Mr. Tony Morgan had offered shares to others, including a previous bid for Redland, and Lord Beeching, who moved from British Rail to lead Redland, was early anxious to make a strategic expansion move after a previous abortive bid for Redland's hopes of a merger with a company which had its own European ambitions.

Ready Mixed also has its more less obscure ambitions, though Redland is best-known for its tiles and bricks. RMC is as a major vehicle for entering its raw material supplies of aggregates, virtually for more. The one-for-one share swap would add Redland's 40 per cent to RMC's existing 55. And RMC thinks it has even better ideas about filling in Redland's holes than to use Purle's (which for most purposes confined to dry pits). RMC started turning water-filled pits into lake areas suitable for development on a commercial scale. With plaudits from the planners, RMC now needs only ministerial approval for its first atepark near Chertsey in Surrey, which would cost a cool £1 million. Even more dramatic

are plans for the first stage of a 600-unit lakeside housing development near the Thames and Heathrow airport on which RMC, acting as its own developer, reckons to net £2 million profit on land which is in the books at nothing.

But it would be ludicrous for the outcome to be decided on rival planning holes. A combined Ready Mixed/Redland would have profits of £22 million after the projected 50% rises in both groups' profits this year and, without Purle, would stand on a fair P/E ratio of 14-15. This sheer size of the league as Associated Portland Cement, is vital for gathering the European harvest. This is going to need large scale finance and the ability to build up large-scale coverage by plant and transport—of the Continent.

It is in both sets of shareholders interests that such a European juggernaut should be created. But if Ready Mixed is serious about its ambitions, it will not try to rely on its better record to push through a barely generous bid. For all Redland's lack of growth, the share prices have recently behaved identically and there is no clearly superior or dud management. It could, instead, suggest a different kind of conditional offer, giving more if the Purle deal does not go through. And as Lord Beeching ponders the alternatives this weekend—and his irrevocable purchase of 30% of Purle must cloud the issue—Redland shareholders must hope that he does not pursue the negative line he seemed to be leaning towards last week.

## Capital cure

EMI IS BEGINNING to look the best bet among bombed-out blue chips. In the past year profits plunged from £21 to £9 million and the share price followed down from 28p to 16p. But there are signs that EMI is making a major attack on its two biggest problems—the US Capital Records and a whacking £32 million overdraft at the June year-end. The first assault on the overdraft came with October's £21 million convertible loan issue. Now chairman Sir Joseph Lockwood makes it plain in his annual report last week that the company is going to cash in its 25% of British Domestic Appliances by taking



Lord Beeching, looking for more holes

up the option to sell to GEC for £8 million at the end of next year. Capital, with 1970-71 losses of £51 million, is more intractable. Some of the special difficulties like vast returns of records from squeeze hit dealers and costly attempts to replace the Beatles, were exceptional. Costs have been slashed, management replaced and Capital is reporting a nominal profit for its first quarter. Capital still needs some elusive top-selling record albums or chart-busters to produce a worthwhile profit. But just eliminating the loss would bring the price-earnings ratio on EMI shares down to 13. And the rest of the business looks capable of carrying that. Records worldwide may not be exciting but EMI's half share of Thames Television is booming.

## Beating the cycle

LISTER, king of velvet, but for so long an also-ran in stock market terms, is suddenly becoming much more interesting. Instead of following the textile cycle as usual, it has levered its profits

up from £704,000 to £1.05 million. Admittedly this is a rather belated account of a year that ended in March, but the lessons to be learnt are equally valid for what is happening now. A thorough cost-reducing programme, including a small accounting computer, has among other things trimmed stocks by £1 million or so.

Having a bit of everything in the house from carpet yarns to worsteds has also, perhaps surprisingly, worked in Lister's favour. "Flexibility is the key," as joint managing director Justin Kornberg puts it.

It was for instance able to rush out more Terylene/Sarille mixtures to the Leeds tailors who were looking for a cheaper substitute for worsteds. As a result Lister was and is enjoying a high level of demand for its products. I can only imagine this will be intensified on the furnishing fabric side by the revamp of design inaugurated last week with the first collection of new recruits. Sir Nicholas Sickers, late of West Cumberland Silk Mills.

The background to this is a share price which despite a rise from 25p to 54p this year, is valuing Lister on a modest 12½ times earnings. A return to the peak £1.4 million profits of 1969, which is quite a possibility, would cut this P/E back to 10½ even if Lister suddenly started paying a full tax charge. The company is putting its drive into fashion fabrics, which as I have emphasised before, are in the van of textile recovery this time. With a safe 6½% yield and some interesting developments of its property sites to spice the cake, the shares look worth tucking away for a while.

## Unit boost

RELIEF is after all at hand for the beleaguered unit trusts. Sales in October were well up for a change and there were indications last week that one of the fund men's great hopes of a Tory Government will be fulfilled. Internal capital gains tax on fund transactions now seems almost certain to be abolished. At present any gains realised on shares sold by unit trusts are liable to Revenue's gift tax, but to avoid double taxation, certificates of tax paid by the trust are passed on to unitholders. They can use these to offset against any liabilities they might have if the fund men's great hopes of a Tory Government will be fulfilled. Internal capital gains tax on fund transactions now seems almost certain to be abolished. At present any gains realised on shares sold by unit trusts are liable to Revenue's gift tax, but to avoid double taxation, certificates of tax paid by the trust are passed on to unitholders. They can use these to offset against any liabilities they might have if the fund men's great hopes of a Tory Government will be fulfilled.

The Government promised to give "special consideration" to the problems but there were growing fears that the Inland Revenue might fight hard against the gains tax concession. Now the Report of the Select Committee on Corporation Tax should help still these fears. "Both unit and investment trusts," says the committee, "claim to cater for the small saver and believe that their collective saving should be encouraged." This sidesteps the argument as "of wider political importance" but "note the complexity of the present arrangements" and reckon the unit trusts have "a stronger claim on any preferential treatment." Not exactly stuff to stir the blood but it might think that given the inevitable compromise in a unanimous report it is clear that the trusts have won their point on the Government benches. Once capital gains tax is abolished for internal fund transactions, there will be an advantage, since switching investments will not result in tax money being paid over immediately by the trusts. Instead it will be working for the unitholders. Additionally, the trusts will no longer be penalised for actively switching investments.

The outlook for investment trusts is not so clear. The life assurance companies are saying that it would be unfair for other funds to be given gains tax freedom and not life or even general insurance funds. Their compromise is a cross-board reduced rate of capital gains tax of say 15% which would apply to all these different kinds of portfolio holders apart from the unit trusts. If the Government is to avoid evoking more complaints—and more revenue losses—the investment trust companies may have to be satisfied with this rather than full exemption.

# Norcross sets out along the takeover road

NORCROS' £10 million agreed takeover of Venesta and its Keizer Venesta offshoot is its first major takeover for 10 years, but it is the start of the new aggressive policy I forecast two weeks ago which should reinstate Norcross as one of the more exciting stocks in the market. Already, I believe, plans are being made for a second substantial takeover in the months to come. Terms of the Venesta deal have specifically been arranged to allow for this. A £1.5 million block of preference shares was issued as part of the package—an expensive form of finance now, but due to be rehabilitated in 1973 by the reform of corporation tax. This gives Norcross the scope to use more loan stock in a second bid.

To have the self-confidence to bid for Venesta, a widespread and long-troubled holding company which made a net loss last year on £40 million of sales, is a remarkable turnaround for Norcross. Five years ago Norcross itself was a stagnant goliath after a rapid build-up as a holding company in the late fifties had been followed by six years when profits were stationary at £2 million. At that point new management team slithered John Sheffield's empire into three divisions: the Norprint coated paper, label and ticket business, Dow-Mac concrete, and the consumer division which was basically Hygiene kitchens and the Maw's chemists wholesaling business. Since then, divisionalised management and central financial control on the Thomas Tilling pattern have squeezed profits up to £2.5 million on £36 million sales in the year just ending, with

Maw—currently being converted into a branded nursery product manufacturer—as the only remaining problem child.

Although around half the payment for Venesta is in ordinary shares, Managing Director John Briggs reckons this will not dilute Norcross' earnings in the current year, nor dent its targeted minimum growth rate of 10% a year in earnings per share.

Venesta is already recovering to say £750,000 pre-tax to next March, but this conceals perhaps £1.3 million of profit, mostly in the US coated paper business and Keizer Venesta timber merchandising, and say £550,000 of losses—which could be readily eliminated. Thus Venesta could produce the £720,000 earnings needed to pay its keep in year one.

Having got rid of the losses, Norcross would then need to produce roughly 9% a year growth from the Venesta businesses to maintain its own projected growth for the next couple of years. This, argues Briggs, is implicit in several of Venesta's businesses already, even without better Norcross financial control and the benefits of integrating all but Keizer Venesta into Norcross' existing three divisions. In theory then Norcross does not have to work miracles to make the modest 14 P/E ratio on its shares at 173p look solid. Reasonably, the shares were depressed a few pence last week by the threat of a lot of weak holders of Venesta shares cashing in Norcross paper. On a slightly longer view they look cheap. Norcross has doubled its earnings per share in four years through internal growth. Acquisition should help keep up a rapid pace.



INVESTORS CHRONICLE

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Extracts from the Accounts and the Statement of the Chairman, Mr W. Wood

Year ended 3rd July	1971	1970
Turnover	£ 3,897,226	£ 3,378,030
Pre-tax Profit	248,164	132,951
Taxation	109,323	61,286
Dividends	56,250 (30%)	39,375 (21%)

\* The year was one of considerable activity and progress in all areas of the business.

\* Research work continued to produce valuable tangible results and our marketing performance was very successful. Even more ambitious plans for the current year are already being implemented.

\* Since July business has continued very satisfactorily, with turnover running at more than 20% over the corresponding period last year.

\* In the absence of any unforeseen reverse, our results for the current year should show a good improvement on 1970/71.

# On the way up!

Unicorn '500' Trust invests mainly in smaller up-and-coming companies. £100 has already grown to £192 — in 5½ years.

Do you know that some of the best investment opportunities occur amongst the smaller companies — those on the way up?

Records show that on average these companies tend to grow faster than big, established companies, and you receive a higher income while they're doing so.

If they're well chosen too, they can include a high proportion of takeover and merger prospects, and you know how a bid can make a share price jump.

But a major snag is that, for the private investor, smaller companies are more difficult to invest in — the right ones are difficult to identify and you need to invest in a wide spread.

## Trouble-free investment

But when you invest in Unicorn '500' Trust all that part is done for you. Barclays Unicorn take the trouble. You take any profit there may be.

And a very good profit it has been up to now. Every £100 invested in February 1966 when the Trust began is now worth £192 with net income reinvested. This is an average annual compound growth rate of over 11% net — equivalent to an income return of 18% gross.

Although this past achievement is no guarantee of what will happen in the future, it nevertheless proves that Barclays Unicorn have the skill to invest successfully.

Even if you'd spent the income you'd still be showing a rise of 72% at the offer price. This compares with a rise of 18-4% in the average level of shares as shown by the Financial Times Industrial Ordinary

Share Index over the same period.

Part of this excellent result is due to no fewer than 158 takeovers amongst the shares in the Trust since it began.

This substantial capital growth is in addition to the above-average income which is the declared investment aim of the Trust. For instance, original investors would have received £6-81% gross in 1971. The current estimated gross yield to new investors is £3-98%.

## Expertly managed

Investors should remember that the price of shares and the income from them can go down as well as up. Experienced investors will know that a well-chosen spread of shares is in the long run one of the best ways of protecting their money against inflation.

By investing in Unicorn '500' Trust you can be certain that the shares are well chosen. Barclays Unicorn combine 14 years

experience in unit trusts with the all-round financial skills of Barclays Bank. It's a successful combination, as shown by the remarkably consistent performance of all nine unit trusts in the Group.

## Do-it-now investment

In the view of the Chancellor of the Exchequer there's a boom ahead. So now could be a good time to invest. It's very simple. Fill in the coupon below and send it with your cheque (minimum 250 shares at a cost of £129).

Or, if you have a Barclaycard, and don't wish to pay cash immediately, just write your card number in the space provided.

## Some other details

This offer will close at 3.30 p.m., Monday, November 29th or earlier if the calculated daily price differs by more than 2½% from the fixed offer price. Applications are not acknowledged but Share Certificates will be posted by 4th January, 1972.

After the close of this offer you can always buy shares at the daily offer price, quoted in most newspapers. If you need any details about this offer, consult your bank manager, stockbroker, solicitor or other professional adviser.

The buying price of your shares includes an initial management charge of 5%. After that, a half-yearly charge of 4% of 1% will be made on the value of the Trust fund. This will be deducted from the income of the Trust fund.

Income is distributed on April 15th and October 15th yearly. If you want income to be automatically reinvested, please tick the appropriate box in the application form.

Selling is quick and easy. Shares can be sold back at the bid price ruling on receipt of your instructions. Just return your Share Certificate signed on the back and a cheque will be posted to you, normally within 7 days.

The Managers of Unicorn '500' Trust are Barclays Unicorn Ltd., 252 Romford Road, London E7 9JB. Tel: 01-534 8521. (Members of the Association of Unit Trust Managers.)

Directors: Rt. Hon. Edward du Cann, M.P. (Chairman), D. S. G. Adam, W. G. Bryan, Mr. Sir Cuthbert Clegg, Mr. J. A. W. Fowler (General Manager), D. G. Hanson, M. N. McCann, D. O. Maxwell, F. K. Sherborne. Trustees: Royal Exchange Assurance.

a Barclays Unicorn unit trust

Unicorn '500' Trust: offer of shares until November 29th at 51-6p each.

To: Dillon Walker & Co. Ltd., Unicorn House, 252 Romford Road, London E7 9JB or 35 Castle Street, Edinburgh EH2 3DS.

Please issue to me/us ☐ No. of shares ☐ (Please apply for any Barclays credit limit to be increased to cover the cost of this purchase.)

A remittance of £  is enclosed. (Please make cheques payable to Dillon Walker & Co. Ltd.) ☐ Tick here if you want income reinvested

I wish to purchase these shares through my Barclaycard Account. My Barclaycard number is

FOR YOUR GUIDANCE: 250 shares cost £129 500 shares cost £258 1,000 shares cost £516 5,000 shares cost £2,580 For every 10 shares add £5-16

This application form, together with your cheque (unless you are using a Barclaycard), should be posted to Dillon Walker & Co. Ltd., Unicorn House, 252 Romford Road, London E7 9JB, by whom this offer is made on behalf of the Managers. Or applications may be made through any bank, stockbroker, solicitor or accountant who is a member of the Association of Unit Trust Managers at the rate of 14%.

If I declare that I am over 18 and am not resident outside the United Kingdom, I agree to be bound by the terms and conditions of the offer and to accept the offer on behalf of myself and my estate. In the case of joint applicants all must sign.

Signed

BARCLAYS UNICORN

Turn £10 a month into

£11,800

The Barclays Unicorn Assured Savings Plan (£3 a month upwards) is the ideal way to build up capital with life assurance and tax relief. A man aged 30 investing £10 a month would receive an annual £11,800 at 65 (assuming a compound growth rate of 7% per annum). Use the coupon now to bring you details.

To Barclays Griffin Life Assurance Co. Ltd., 252 Romford Road, London, E7 9JB.

Name

Address

36/58

# 8 3/4%

estimated gross annual yield

## TARGET PREFERENCE SHARE FUND

A very high return, plus the extra stability of preference shares

Target Preference Share Fund offers a gross annual yield of 8.8% — at a time when it appears difficult for investors to achieve a high income with reasonable prospects of stability. Target Preference Share Fund achieves this high yield by investing in the preference shares of over 400 companies, carefully selected for their dividend and capital cover.

The income from the Fund is likely to be more stable than that from ordinary shares because preference shares have a priority claim on a company's profits and their dividends have to be paid before dividends on the ordinary shares. They are therefore less vulnerable to adverse economic and political influences. The broad spread of investments of Target Preference Share Fund further reduces the risk.

Although longer term interest rates are still at a fairly high level, the recent trend has been downwards and if this continues one could expect the units to increase in value. Nevertheless the aim of this Fund is to provide a high stable income rather than capital growth.

Remember, the price of units and the income from them can go down as well as up.

Franked income advantage for companies. Because the income arising from the units is already net of Corporation Tax, many companies would benefit by an investment in Target Preference Share Fund. In order to offer the equivalent net return, a Government Security debenture or loan stock would have to yield over 14%.

## INVESTMENT MANAGERS: DAWNEY, DAY & CO., LIMITED

OFFER OF UNITS AT 14.4p XD EACH UNTIL 26th NOVEMBER 1971  
Estimated current gross annual yield £8.81 per cent.

APPLICATIONS and cheques will not be acknowledged but Certificates will be sent within 10 days of the close of the offer.

YOU MAY SELL YOUR UNITS at any time at a price which will not be less than that calculated by Department of Trade and Industry regulations and be paid within 10 days of the receipt of your signed certificate.

PRICES are based on and vary with the value of the underlying securities. An initial charge of 7% of the amount invested will be made on the value of the units at the time of issue. Out of this charge the Managers will pay commission of one and one quarter per cent. to qualified Agents.

THE TRUSTEE SAFEGUARDS THE TRUST FUNDS holding all investments and cash with the terms of the Trust Deed. The Trust is established by the Trust Deed dated 28th August, 1965, which provides for the termination or modification of the Trust in certain circumstances.

It may be inspected at the offices of the Managers, 252 Romford Road, London E7 9JB.

## GET ON TARGET NOW!

TARGET TRUST MANAGERS LTD. (Dept. T.O.), 16 COLEMAN STREET, LONDON EC2R 5AA

I/We hereby apply for  Target Preference Share Units at 14.4p XD per unit. (Minimum initial holding 200 units)

A remittance of £  is enclosed payable to Target Trust Managers Ltd.

I/We declare that I am/we are not resident outside the Scheduled Territories and I am/we are not a resident of any of the territories mentioned in the list of territories in the current edition of the Bank of England's Notice EC1.

Signature(s)  Date

If there are joint applicants all must sign and attach names and addresses separately. PLEASE WRITE IN BLOCK LETTERS — THE CERTIFICATE WILL BE PREPARED FROM THIS FORM.

TITLE  FIRST FORENAME  OTHER INITIALS  SURNAME

HOUSE NO. AND STREET

TOWN  COUNTY/POSTAL CODE

REMITTANCE REQUIRED 200 units — £288.00 500 units — £720.00 1,000 units — £1,440.00 2,500 units — £3,600.00 5,000 units — £7,200.00 Please let me have details of Target's monthly savings schemes. Do you already hold Target Preference Share Units? YES/NO

Total funds in the Target Group exceed £50,000,000



# Is neglect of your investment and tax affairs losing you income and capital?

Your answer to these questions will decide

		Yes	No	Don't know
1. Investment Management	Has your investment capital appreciated significantly over the past two years, despite the poor stock market conditions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Tax Planning	Are you sure that you are not paying more income tax or surtax than you should?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Estate Duty	Are you sure that your estate will not have to pay more estate duty than necessary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Heirs	Have you provided your heirs with the maximum capital or income possible at little or no cost to yourself?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Mortgage	Have you geared your assets by raising money against them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Life Assurance	Are you sure that you are not paying for more life assurance than you need?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unless you can answer yes to all these questions, your financial affairs may be in a state of neglect which could be costing you money.

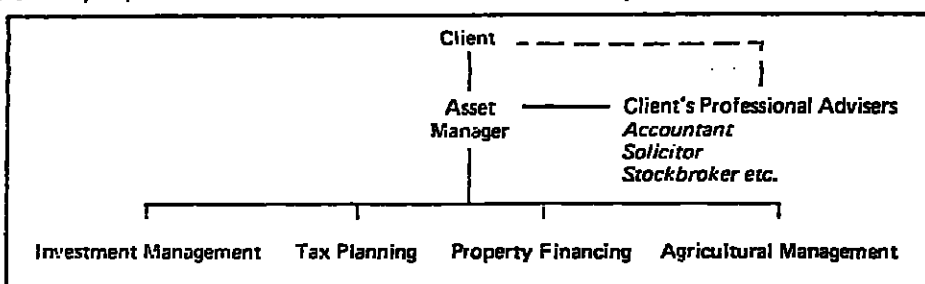
The unique feature of First Investors Financial Service is that you can enjoy the continuous advice of one person whose professional background, training and experience equip him to advise you on every aspect of your financial affairs. He will supplement rather than supplant the services provided by your present professional advisers.

Working with him under one roof, as shown in the diagram, are a team of specialists whose combined knowledge covers every aspect of investment and

financial guidance.

The result will be that your assets are organised to produce maximum capital growth and spendable income for yourself, at the same time ensuring that your heirs are well protected.

First Investors will prepare without commitment a preliminary appraisal in the form of a written confidential report. Post the coupon now for further information or telephone and ask for Mr. K. L. Boyce at 01-488 4511.



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To K. L. Boyce, First Investors Financial Services Ltd., 15 America Square, Crosswall, E.C.3.

Please send me further details of your services (Block Capitals Please)

Name \_\_\_\_\_

Address \_\_\_\_\_

Tel: \_\_\_\_\_  
A Vavasseur Company

## Is Trafalgar House overstretched or just poised for yet more growth with bids in banking and finance? AZIZ KHAN-PANNI gives an assessment

LAST WEEK, Trafalgar House came up with an 80% increase in its half-year profits to £3.8 million. It was a significant moment in the company's history in more ways than one. For it marked the end of the group's successful development as an integrated property and construction concern and the beginning of a much more difficult road.

In 1963 when the 29-year-old Nigel Brookes floated his company, pre-tax profits were £17,000. In the current year pre-tax profits could be over £10 million. And Trafalgar's market value has grown from £1.6 million when it went public in 1963 to £130 million now.

In June Brookes plunged into a deal which appears to have completely re-oriented the group. The £27 million acquisition of Cunard, a company which for all its immense reputation and world-wide prestige, had been so badly run for so long that it was near bankruptcy, could well turn out to be a can of worms for Brookes.

To cynical observers of the industrial and commercial scene, his bid for Cunard had all the markings of random expansion for the sake of size (though it only represents 18% of Trafalgar's equity). Neither he nor Victor Matthews, Trafalgar's managing director, has had any more experience of shipping than Matthews' service as a rating in the Navy during the war. With the disastrous experience of similarly, fast-growing conglomerates in recent years, it is widely feared that Cunard might become the albatross round Trafalgar's neck.

Property men have in any case not been very successful when they have stepped out of their original field. When Sir Max Rayne diversified London Merchant Securities out of property into distilling and transport, profits soon began to slow down. When Sir Charles Clore added shoes and stores to his property empire the same thing happened. It may be that it has been too easy to make money in property. The business requires an entrepreneur's energy and instinct for a good deal. The numbers of people involved are small and the organisation of cash resources limited. In almost every other industry, the problems are continuous and cumulative. The grand projects are very few.

But Brookes never was just a simple property man. Lord Crowther, an early backer with whom Brookes subsequently fell out and who has no real reason to be kind to his former protégé, testifies as to Brookes' intellectual powers. "He is an

extremely careful calculator. But he is also imaginative and that is what makes the difference." Brookes' thinking has been consistent in the years since he went public with a £1.6 million company. And the combination of Brookes' intellectual energy and Matthews' practical grasp of industrial management is a much more formidable partnership. Matthews in particular has developed a lot. At the age of 40 Matthews was a small builder in Brixton. When he was taken over by Brookes in 1964 his turnover was less than £2 million. But he has been instrumental in building up Trafalgar into possibly the best managed business in the construction industry.

The financial backing of the huge Commercial Union insurance group has been crucial. It enabled Brookes to do his first six-figure deals. It lent him the funds to take over a £3 million property company which it wanted to sell. And it backed him in his first highly complex public takeover deal.

Brookes had noticed that three quoted property companies, City and West End Properties, Consolidated London Properties and Metropolitan Property, all shared offices in a building in Bush Lane, off Cannon Street in the City. On further investigation, he found that the three companies had

to use Brookes' own expression ranging from 20% in the case of one company to 10% for City and West End, the company Trafalgar most wanted. To the annoyance of Hill Samuel, advising the three companies, Trafalgar then declared the bids unconditional (this was allowed then and meant that acceptances were not conditional on the bidder achieving control). There were some raised eyebrows. Why should Brookes want to tie up his capital as a minority shareholder? But he was convinced that success was only a matter of time.

Matters were precipitated when another property developer, Leslie Marler, with whom the three companies had been negotiating a rescue offer, made a public offer for Consolidated London, the company with a key shareholding in City and West End. Brookes came back with a higher offer. Marler over-bid him. With a fat profit now available on his existing holding in Consolidated London, Brookes then made a pre-emptive bid for City and West End, subject to the other two companies accepting the offer and subject, too, to Marler's bid for Consolidated London being declared unconditional (thus ensuring that he, Brookes, actually received the £300,000 dealing profit).

The result of these complicated transactions was that Trafalgar got City and West End, Marler got Consolidated London and Trafalgar's shares in the third company were sold off at a handsome profit. By the end of the financial year, Trafalgar's gross assets had grown to £11.6 million. This bid marked the arrival of a highly sophisticated financial tactician and fighter.

The acquisition of City and West End was the important first stage in building up a platform for the really big deals. Hitherto, Trafalgar had been a fairly straightforward property and development company. But with the probability of a Labour Government in 1963 and the implications of that for rents and legislation, Brookes knew he had to revise his strategy. He took the view that rent control would be introduced. So he sold off some hundreds of the flats and residential properties. And when Jim Callaghan gave advance warning of the introduction of Corporation Tax in his 1965 Budget, Brookes was one of the few property men who really worked through the implications of the new tax.

Brookes realised that property companies which traditionally distributed all their dividends



Victor Matthews: doing too much?

dismissed something like 20 takeover approaches by being secretive and refusing to supply potential bidders with any information on their 70-odd blocks until a good cash offer was actually made.

Brookes talked round a reluctant Commercial Union, still a major shareholder and unhappy about contested bids, and decided to make an offer. The problem was that Trafalgar's market capitalisation was £1.8 million and the value of the offers was £7.8 million.

Unfortunately when the offers closed in January 1964, the acceptance level was "pitiful,"

# Can Brookes alter course?

would be taxed punitively under the new Corporation Tax system. As a result property companies' shares were becoming depressed by fears of dividend cuts just at the time when the capital value of their property portfolios was beginning to rise more steeply than ever.

The solution which Brookes pioneered was to buy industrial companies. These would provide the income to pay the dividends and returned earnings which paid much less tax under the Corporation Tax system.

"The point is to earn additional money from trading sources for retention, not for distribution," he said in 1967. "The Corporation Tax structure should be looked on as an incentive scheme. According to Brookes' ideas, once the dividends, and on top of that the cash flow, were secured, the fast-appreciating asset-rich property backing would ensure that the combined group enjoyed a high stock exchange rating. There was much scepticism at the time, but Brookes has proved his point."

Trafalgar's property income has fallen from nearly 100% to 48%, while its trading income has grown correspondingly. Another statement made in the same address to the Chartered Auctioneers is now more significant than ever, following the acquisition of Cunard. "One can extend this thesis in another direction," he said, "by saying that the real incentive of the Corporation Tax system is to place oneself in the position of paying as little tax as possible. This sounds obvious, but very few people, I think, direct much strategic thought to it."

Brookes points to these statements when he is accused of being a too-avid diversifier conglomerator. He was at the same time not overly depressed by the property business. He gives the example that if inflation continues at the rate of 3 1/2% a year, then the monetary value of a property will double every 21 years. Now if a property bought with the help of a two-thirds mortgage, the value of the property doubles in 21 years, the value of the mortgage remains constant, and the owner's equity therefore increases fourfold, or twice the rate of inflation. Meanwhile the property has provided a reasonable income.

So with the help of Messel's brokers, he drew up an acquisition list of 10 property and related companies which would become vulnerable because of their dividend policy and management problems. Some of the names on the list show how ambitiously Brookes was thinking even at that stage. They include much larger companies than Trafalgar: Ideal Building Corporation, Trollope and Colls Metropolitan Estate and Property Corporation, City of London Real Property, Regis Property and Halebridge.

First to fall was Ideal, a large but indifferently run housebuilding group, which was bought for £4.6 million. Matthews' first big job was to knock Ideal into shape. It had operated through a series of autonomous regional companies with the head office in Epsom barely knowing what the units in the North and Scotland

continued on opposite page

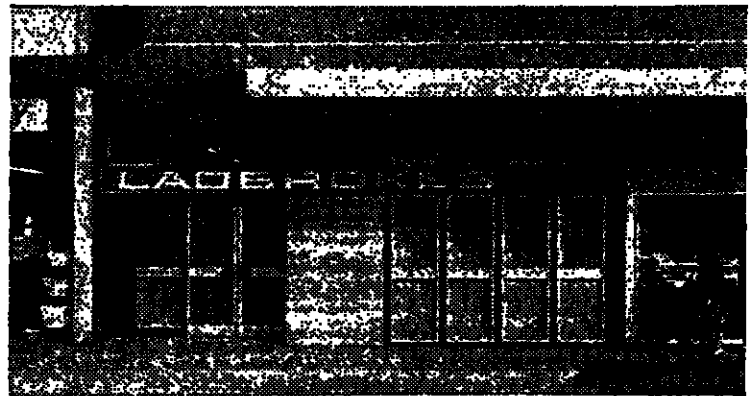
# An exciting year ahead

## Focus on Ladbrokes

The Ladbroke Group is not just the largest bookmakers with the quality image, but a company with interests throughout the leisure industry.

## Focus on Bookmaking

In the current financial year betting turnover should reach £100 million of which more than £80 million will be from cash operations. A new area in the south west is in the process of being established. The total number of shops operated by the group will reach 800 by June, 1972. Two new credit branch offices, in Leeds and Edinburgh will be opened during the year.



## Focus on Casinos

Our first London Casino opens on the 1st December at Hill Street, Berkeley Square. We have recently purchased 21 Hertford Street, Mayfair and have also applied for consent to operate a Casino there. Casinos at Leeds and Leicester will open early in 1972.



Cyril Stein

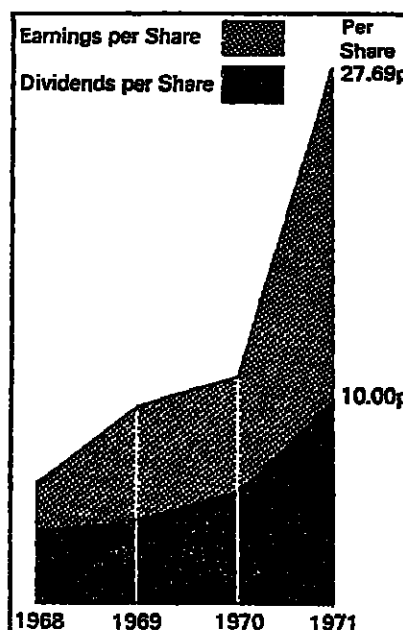
## From the Chairman

This has been a year of great progress. Turnover up by 23%, taxed profits up by 141% and earnings per share up by 134%. The current year promises to be equally exciting, a year in which we expect to pass the £100 million turnover mark. I am pleased to be able to inform shareholders that during the first 18 weeks of our financial year net profits were approximately 30 per cent higher than in the corresponding period of 1970. This excludes profits of the Arbiter & Weston Group. You will also be pleased to hear that our shops traded at an average profit of £3,400 per annum which was a substantial improvement on the previous year. This has been achieved through the effectiveness of our management and systems which have been developed as a result of the experience obtained by our Company over a period of many years.

## Results at a glance

	1971 £	1970 £
Group Turnover	88,361,000	71,614,000
Pre-tax Profits	2,508,000	1,102,000
Taxation	975,000	381,000
Profit Available For Distribution	1,405,000	583,000
Dividends per 25p share	10.00p	5.73p
Dividend Rate	40.00%	22.92%
Dividend Cover	2.69	2.07
Net Earnings per 25p share	27.69p	11.84p

Copies of the Ladbroke Group Report and Accounts can be obtained from the Company Secretary, Ladbroke Group, London W1A 2LD.



## Focus on the Future Ladbroke Hotels

The Group has made considerable progress towards the establishment of its hotels in the UK. Leeds, Bristol and Teeside will be completed by the end of 1972. (benefiting fully from the Tourist Board Grant). Each hotel will be in the four-star category and is located in the city centre. They will have over 200 rooms, first class conference facilities and speciality restaurants.



Ladbroke Hotel, Leeds - Artists impression

## Office Development

A natural progression from the building of hotels is into office development and we have currently obtained sites for office developments in Bristol, Cardiff and Birmingham.

## Bingo

Through the acquisition of Arbiter & Weston, which owns 30 Bingo halls in various parts of the country, Ladbrokes have added Bingo to their leisure interests. The Company intends to establish itself as a major force in this popular leisure field, and to purchase other halls as these become available.

# LADBROKE GROUP







## Let Surtax Savings pay your Estate Duty

Did you know you could solve estate duty worries by reducing your surtax? We have introduced this valuable scheme to many of our clients of all ages. Here is just one example from our files.

**Mr. A.**  
aged 56  
next birthday

**Requirements:** a) Reduce surtax  
b) Make provision for estate duty

**Action:** Stage 1. Save £500 a year in surtax by re-organization of investments.  
Stage 2. Use above sum as first premium in estate duty policy producing guaranteed £10,700, with growth potential linked to investment performance.

**Results:** Client now has following benefits:

- a) Keeps full control of assets
- b) Pays less tax
- c) Provides for estate duty

**Remarks:** Above results achieved at no extra cost to client.

**Note:** If preferred, tax savings could provide school fees, retirement plan or increase in spendable income.

### Know your Bonds

Bonds represent one of the soundest investments in today's money market. A client of ours recently enjoyed a return of over 30% on his capital in only nine months. Perhaps you could do the same, given similar good management and stock market movements. But deciding on the best Bonds investment isn't easy without specialist knowledge. Therefore, we have published a straightforward, unbiased booklet. It gives you full information on the advantages of Bonds and tells how Shipton's can help you make the most profitable investment in this field. Send for your copy now. Doesn't it make sense to find out what we can offer you? For full details of Shipton's financial services, fill in and post the coupon today.

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Adelaide House, London Bridge, London EC4R9DS.  
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Name \_\_\_\_\_  
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**Shipton's**  
S13

## Living in long-legged clover

TO THE uninitiated, pasture is just something to picnic on, but to Prof. Percy Thomas and his colleagues at the Welsh Plant Breeding Station in Aberystwyth, it is the raw material for an increased meat and milk production that could be worth an additional £150 million each year to Britain.

Dr John Cooper (right), a plant breeder at the station, argues that the best grass is even less efficient than a steam engine, using only 4% of the light energy falling upon it, and producing 16,665 kilograms of dry matter per acre in a seven-month grazing season. Using equipment whose sensitivity would make a brain surgeon envious, Cooper has become intimate with the physiology of thousands of strains of grasses. By selecting the best physico-chemical performers, he's come up with S321 (line E), a grass that is 25% better at absorbing the sun's energy than anything yet known. The new grass produced an extra 5,409 kilograms of dry matter per acre in trials.

But as picknickers know, a field is never grass alone and, in future, another of the station's breeders, Ellis Davies, is determined it shall be a banquet of a giant white clover called Sabeda. Davies talks of clover as "the magic ingredient in pasture," because it makes the diet of sheep and cattle more palatable, easier to digest and is better than grass at capturing and making available to the animal certain vital elements such as magnesium in the soil. And experiments with sheep have shown that they can gain twice as much liveweight each day when grazing a mixed pasture of grass and clover than they can when grazing on grass alone.

In breeding Sabeda, Davies has produced a variety of clover with a very long stalk which is thus able to keep pace with, and withstand competition from, the newer grasses when they respond rapidly to fertiliser applications. Older varieties of clover tend to be swamped.

The "good climate and appalling weather," which appeals so much to Prof. Thomas and the farmers on whose behalf his station works, grows far too much for the gardener. Perhaps there next project could be a grass that stays eternally green, and never grows at all.

Graham Rose



## Debts dumped for £1

BY RICHARD MILNER

PRIVATE business crashes are 10 a penny, but the curious case of Muldivo Computers Ltd. merits closer attention. Not because MCL racked up a net deficiency of more than £100,000, which is hardly a record in the liquidation game. But because MCL was already plunging into insolvency when the Muldivo parent group "sold" it to a senior executive, who then tried to raise an extra £50,000 on the strength of an astonishing prospectus that forecast profits of £75,280, but somehow neglected to mention past losses of £50,000-plus.

Most people who attended the Muldivo Computers Ltd. creditors' meeting on November 10 were disconcerted by the statement of affairs outlined by Benjamin Rose, senior partner of chartered accountants Rose Gluck & Co. Between May 5, 1970, and November 9, 1971, MCL had sustained trading losses of £133,220 and stood to record gross losses of £188,799 on liquidation. And even after the parent Muldivo group had written off the original £25,000 share capital and the net estimated deficiency still amounted to precisely £104,959.

Managing director Bertram Evers took the chair at the Muldivo Computers Ltd. meeting but did not produce this prospectus, which turned out to be rather embarrassing. For during his run-down on the company's financial situation, Rose referred to a heavy loss incurred during the year to March 31 this year. Allen Cooper of Rose Gluck was appointed liquidator together with a Committee of Inspection consisting of Dibb Lupton & Co. (Muldivo's solicitors), Hallam Sleight & Chesterton and Sperry Rand.

Last Wednesday, Rose Gluck gave a formal report of the meeting to all MCL creditors. "Mr Rose explained that his firm were not the Accountants or Auditors to the company, but had been

called in, because of their experience in insolvency matters," their letter stated. "He said that in view of the appalling losses which the company had sustained, it was evident that the investigation by the Liquidator would have to be extremely searching."

Muldivo Computers Ltd.'s optimistic prospectus purported to give a statement of the company's financial affairs as at July 31, though certain of the information given suggests that it was actually prepared late in August or early in September. The document outlines how Muldivo Group directorate intermediary of the Muldivo Ltd. desktop calculator business, decided to diversify into computers and formed MCL with a capital of £25,000 to exploit the agency for Israeli Elbit computers that was acquired at the end of 1969. But in spite of securing a key £80,000 contract for Esso last March, the group was squeezed for cash.

"Dumping of (integrated circuit) chips has brought the cost of desk calculators to one third of what they stood at a year ago," the MCL prospectus stated, "and this has had adverse effects on the real value of the stock which the Group had bought in bulk and has compelled the Group to dispose of substantial quantities of stock at a loss." It added: "The Group decided that it could no longer continue to support MCL, but also recognised that the future of MCL was tied up in the skills of the team that had been created." So the company was sold to Bertram Evers on "exceptionally favourable" terms, specifically for £1 cash.

MCL's prospectus balance sheet as Muldivo 31 showed a share capital of £25,000 plus a "firm" £34,000 loan account from Muldivo Ltd., reduced by an

accumulated deficit of £53,361 just £5,639. And, although it was emphasised that the cash position was serious, the short-term prospect was glowing to the point of incandescence. A "worst case" forecast indicated sales of £506,000 for 1971/72, which would (figuratively) produce pre-tax profits of £75,280. Neither forecast nor the balance sheet were, in fact, certified by Muldivo's accountants, Vin Merretts. Potential subscribers were asked to contact Evers, Maurice Tree, a company secretary listed as an MCL director.

"The reason why I took a company on is that definite statements were made to me on position, together with why would be wise not to put the company into liquidation," Evers comments. He had felt that MCL could be saved and he issued the prospectus to 14 or 15 people. So why did Vin Merretts not sign the prospectus? "It was prepared while the accountants were present," he insists. But how about the apparent discrepancy between the £80,000-plus loss for the year to March 31 (VM accounts will Rose Gluck), the £53,000 deficit: July 31 and £133,000 trading loss Bertram Evers, whose malforie is marketing, does not see to be sophisticated in finance. He refers this question to Maurice Tree, who (he says) prepared the MCL financial statement. But Tree is not very helpful. He makes three points: (a) that he is officially a director of Muldivo Ltd., (b) that he is not officially director of MCL and (c) that he cannot now remember exactly what went into that prospectus. So the Muldivo parent shucks of an embarrassing crash and Evers who officially acquired MCL just five days before his own estimated make-or-break date of September 20, is left to carry the can. Official investigation indicated.

## GOLDEN HOPE PLANTATIONS LIMITED

Issued Capital ... £3,631,305 in 10p shares  
Secretaries and Agents  
Harrisons & Crosfield, Limited

	Year ended	
<b>PROFIT AND DIVIDEND</b>	31.5.71	31.5.70
Profit after tax	£2,120,083	£1,596,365
Dividend for year	£1,385,321 (65%)	£1,216,148 (35%)

<b>CROPS HARVESTED</b>		
Rubber—kg.	11,830,741	11,753,078
Palm oil & kernels—long tons	40,129	38,028
Copra—long tons	6,117	5,746

**PLANTED ACREAGE**  
Rubber, Oil Palms, Coconuts and Cocoa—61,865 acres  
Annual General Meeting—10th December 1971

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**RMC**

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Most people already know that Ready Mixed Concrete Limited is a high-profit company with an impressive record of growth, even in the difficult market conditions of recent years.

RMC is a Group of over sixty companies with diverse interests, but all related to the Building Industry to allow rationalisation and maximum efficiency.

RMC interests range across most areas of the Building Supply Industry including operations in aggregates, brick making and waste disposal.

The Ready Mixed Concrete Limited Group of Companies, RMC House, High Street, Feltham, Middlesex.

Ready Mixed Concrete. Ready Mixed Mortar. Sand Gravel and Quarried Stone. Lightweight Concrete Building Units. Pre-cast and Pre-stressed Concrete Units. Pre-packed Concrete Materials. Builders' Merchants' Domestic and Industrial Fuel Oil Distributors. New and Used Contractors' Plant Sales. Waste Disposal. Roofing Contractors. Suspended Ceiling Contractors. Concrete Pumping. Plant Hire, Road Haulage. Materials Testing. Facing and Foundation Bricks.

**"The past year has been the most successful yet in your Company's history ..."**

Mr. Gabriel Harrison, the Chairman reporting on the year ended 31st March, 1971.



- \* **Group Profit before Tax**  
Up (from £1,141,467) to £1,484,678
- \* **Total Dividend**  
Up from 20% to 25%
- \* **£50 million Development Programme**  
Adjoining London Bridge at Hay's Wharf
- \* **General Development Programme**  
Over £45 million (excluding Hay's Wharf)

**PROSPECTS** "...the investment portfolio, valuable reversions and very extensive development programme are evidence of the strength of our Group and I have no doubt that there will be progressive and substantial increases in the annual profits..."

**AMALGAMATED INVESTMENT & PROPERTY CO LTD**

Copies of the Annual Report and Chairman's Statement can be obtained on application to The Secretary, 9-10 Grafton Street, London, W1X 4DA.



# Local radio carve-up: the giants move in

BY TERRY HUGHES

THERE COULD BE a deadlock next week in the Committee of nine Labour MPs and 11 Conservatives which is examining the Sound Broadcasting Bill introduced recently by Christopher Chataway, the Minister of Posts and Telecommunications. Any delay would upset the Chataway timetable, which is to have the Bill through Parliament by Easter and the first five commercial radio stations on the air by mid-1973.

The deadlock could come because of the 11 Tories on the Committee. John Gort, the Conservative member for London, who has been campaigning for a long time through the Local Radio Association for truly neighbourhood radio. He scathingly calls the Bill "picturesque television". For he believes the Government plan will not provide local commercial radio at all, but regional radio.

The Chataway Bill would leave out in the cold the many small companies with romantic names, Counterblast Ltd., Radiopolis Ltd., Sharecast Bros. (directed by Mr. & Mrs. Thakur), Radio "Red Dragon" (a pub-based group?) and the Voice of Robin Hood. The true local radio lobby feels bitterly that the Minister has been to backstairs pressure from the advertising agencies and the big newspaper and television groups. They dislike the way he has given the task of setting up commercial radio's 60 stations to the Independent Television Authority, which will become the Independent Broadcasting Authority a month after the Act is passed.

So one of the many amendments Gort is proposing would take away from the IBA the ownership of the radio transmitters. Another would limit the range of the transmitters to eight miles. Both of these amendments are likely to be supported by the nine Labour MPs, led by Philip Whitehead, a former producer of This Week. If, as is likely, no other Tories support Gort, this could result in a deadlock.

But Gort's embarrassing amendments do not end there. Others provide that local Press groups will not have the right to share in any station in their area, as they do in the Bill, but can only get a slice of the cake on merit. He also wants to remove the clause which would enable the Government to levy a tax on excess profits, as it does on the commercial television companies. These amendments make the task of the IBA more difficult.

The IBA, or in particular its new man, former Observer Magazine editor, John Thompson, will decide which areas are to have the 60 stations. The Minister has already earmarked the first five—for Manchester, Birmingham, Glasgow and London, which will have two—one for general programming, one for news.

The IBA will also be responsible for setting up the transmitters and working out the catchment areas, and in doing this they will effectively be deciding when a locality is a locality.

The field of a transmitter, whether it is five miles or 15 miles, the direction it is given, and the power upon which it operates, will dictate the local radio frontiers. Critics say that the IBA has been expressly asked by the Government to use existing television transmitter sites and many of these cut right across natural boundaries. A Birmingham transmitter based on Sutton Coldfield, for instance, would cut into the Black Country, which, in the view of Alan Graham of the Express and Star at Wolverhampton, would make nonsense of the deep local difference between Birmingham and its own area. The same, no doubt, would happen in Manchester, where Oldham may get into the Manchester area.

If this were not enough to undermine plans for genuine local radio, there is the fear by smaller companies that the whole IBA superstructure, with its specialist committees and estimated 150 employees, would place a heavy overhead on a local station fighting against strong BBC competition in a medium-sized city. This, the radio entrepreneurs are prepared to swallow, but the Government's proposed plan to establish a separate London station supplying national and international news to all the other local stations is regarded as a downright insult, as much as a heavy financial imposition.

One of Gort's amendments, in fact, would force all stations to provide a comprehensive service and thus prevent a London news station.

As Hughie Green, compeere of Opportunity Knocks and director of Independent Broadcasting Consultants put it: "People are funny up in Glasgow. They don't want to hear a London voice." And according to one local news editor, "When the national news is going on about the dollar crisis, we want to know who is dumping sewage in our river." In general, the local radio men feel it would be cheaper and better to handle the news themselves helped by their newspaper backers; but they believe the Minister will insist that they buy the London service.

At the moment it looks unlikely that local groups will be able to compete with the emerging combinations of major newspaper groups and television companies, which already have the necessary regional base as well as the financial strength to guarantee local radio against embarrassing debacles. As Brum Henderson of Ulster Television put it, referring obliquely but obviously to the local radio lobby, "Many people who have adopted public postures could most easily end in Carey Street." He could point to the continuing failure of the BBC's local radio stations to attract a wide audience for supporting evidence (though the new commercial stations would be on medium-wave during the day, thus widening their scope, as against the BBC's entirely VHF service).

Some big communication companies have had an interest in



Gorst: amendments



Green: concerned for the funny people in Glasgow

local radio for many years. Rank has already registered 27 stations and Rediffusion has set up Radio Holdings, managed by Graham Binns, who has run stations for them in Malta and Jamaica. It has also set up a talent bank to supply recorded material to the other stations in the network.

ATV has announced that it wants to get into the field and all the major companies seem anxious, in the words of Brum Henderson, to combine ITV 1 and 2 and commercial radio as "a genuine second force in all broadcasting," run by the IBA.

Since the first five stations will cover around one third of the country's population, some of the earlier board-room gloom about the return on commercial radio

has been dispelled. The national advertisers certainly like the idea of big stations run by communications professionals and up to half of the total advertising revenue (up to £14 million) could come from big names, possibly booked through a central agency. Even this figure looks chicken-feed compared with the £400 million spent in the United States.

The Government has, however, put some safeguards into the Bill to try to keep the big groups under control. Record companies are forbidden to have a station, which rules out EMI and could place ATV (Pye Records) and Granada (Granada Records) in some difficulty, depending upon the IBA's construction of the

ground rules. These are vague; the Bill does not even follow the White Paper, which tried to keep the television companies in their place with the provision that no television contractor would be allowed to have a controlling interest (whatever that may mean) in a local radio station in its own area.

The Minister had taken the danger of advertising being channelled away from the local Press so seriously that a paper that can show it has a unique local position can have a participation in the local station as of right. No newspaper, which has a monopolistic local position, however, will be allowed to have a controlling interest in the radio station.

The participation of the local newspaper has led to much-resisted arrogance in at least one case. The plans of a local paper group and Southern Television to offer local worthies a minute proportion of the equity in a station in the Solent area have met with determined opposition. Local businessmen (and Lord Montagu of Beaulieu) so resented the small piece they were allocated that they now have a rival—and viable—proposition.

The local newspaper situation, however, is by no means as neat as it appears on the surface. Most major local newspapers are owned by national groups (in Manchester, The Guardian owns the Evening News, and Beaverbrook owns two of Glasgow's papers). In Birmingham the independent local Post and Mail and ATV have already formed West Midlands and Sound Radio. In London there are far more local independent newspaper groups. These include the South London Press and Dimsbley and Sons, which is in an alliance with Beaverbrook Radio. Beaverbrook's London Evening Standard is itself regarded by the Minister as local, as is the Thomson-owned Scotsman in Edinburgh. This attitude will create an invidious problem for the IBA.

The man responsible for working out the ground rules, John Thompson, is known to be sympathetic to communicators, and has a reasonable track-record in journalism. But he is going to have an appalling job balancing the aspirations of true local radio enthusiasts with the warning uttered by Chataway: "This is no game for amateurs."

## NEW DAY HOLDINGS LTD

Comparative Consolidated Results for Year Ended 30th June 1971 and Extracts from the Chairman's Statement

	1970-71	1969-70
Trading Profit	914,578	989,437
Interest, depreciation, etc.	548,649	460,720
Selective Employment Tax	112,338	110,469
Taxation	63,326	184,790
Profit after tax	191,365	233,458
Preference dividend	30,000	30,000
Ordinary dividend	149,940	149,940
To reserves	11,425	53,518

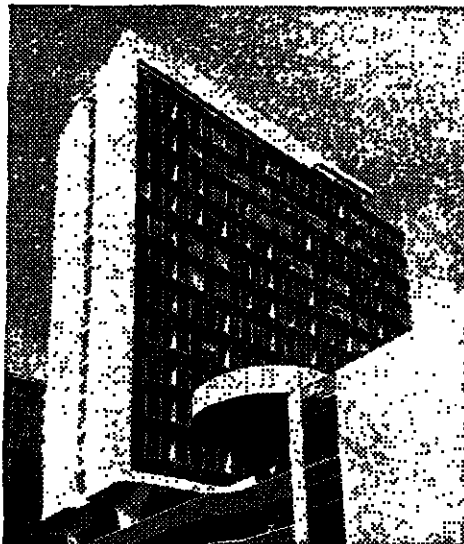
The expectation of an improved profit for the full year indicated in the interim statement was not realised as the severity of the last few months of the credit squeeze made only a small increase to the half-year profits possible. The considerable improvement in trade since the end of the financial year has, however, enabled your directors to feel justified in recommending a final dividend of 10.5% making an unchanged total for the year of 21%.

The Radio/TV and Hardware divisions each had a record year, the result of the difficulties experienced before the introduction of inflationary measures in July being felt by the Furniture division. A higher level of demand is now being experienced which, with the progressive streamlining of the Group's activities should ensure a much improved situation at the end of the year. Turnover is already well up in each trading division.

As far as is known the close company provisions of the Finance Act 1965 do not apply to this Company.

The Annual General Meeting will be held at Hilton House, Lord Street, Stockport, Cheshire, on Friday the 10th December 1971 at 12 noon.

# Only the £72,000,000 Abbey Property Bond Fund could give you a stake in properties like these.



Arundel Towers, Southampton.



40-53 Bedford Square W.C1.



Stone House &amp; Stable Hall, London E.C.5.

The spectacular growth of the Abbey Property Bond Fund is one of the biggest financial success stories in recent times. Starting from scratch four years ago, the fund has grown to a record £72,000,000 with 36,000 bondholders. (In the last 2 months alone, investors sent in cheques totalling over £8,000,000.)

With this kind of money behind us we can operate on a much larger scale than the other Property Bond funds. For example, it allows us to buy giant multi-million pound properties at the most favourable terms (as illustrated by the three shown here which are valued at over £14,000,000). Which means that we're able to get the best deals on the best properties.

Another point: as the fund has continued to grow, we've continued to improve the bonds. For instance, just recently we reduced our deduction for Capital Gains Tax, improved withdrawal facilities and introduced a unique conversion option, as well as making a number of other changes detailed later in this advertisement.

### Security

The Abbey Property Bond Fund is the biggest and most successful in Britain. But we have a lot more behind us than just our own individual assets. Abbey Life itself is one of the country's best known Life Assurance companies with assets exceeding £140 million. So you're in safe hands.

### Performance

One of the most attractive features of the Fund. Since its inception in 1967, the bonds have continued to appreciate. Indeed, over the last 18 months the growth has been dynamic. In the last year alone, from November '70 to November '71, the offer price of Abbey Property Bonds increased in value by a handsome 11.9% (including the re-invested rental income net of tax). Paying tax at the standard rate you would have needed a gross income of 17.3% on your money to achieve the same result.

### Built-in Life Assurance

As long as you hold Abbey Property Bonds your life is assured automatically, at no extra cost. As part of the new improvements, life cover will increase by 3% p.a. compound from the policy anniversary following your 65th birthday.

In the event of your death the amount payable to your family will be either the current value of your bonds or the amount shown on the life cover table on the application form (which increases as described above)—whichever is the greater. Naturally, if you've withdrawn money from the Fund the amount of life cover will be correspondingly less.

### Conversion Option

This is a new feature unique to Abbey Property Bonds. You may at any time elect to convert the units of your property bond into Abbey Equity Units or Abbey Selective Units, at a cost of only 1% of the value of your units. (Available if your bond is worth at least £500.)

### 6% p.a. Tax Free

Provided you make a single investment of not less than £1,000 you may, if you wish, withdraw up to 6% of the value of your bond each year—entirely free from Income Tax and Capital Gains Tax. The withdrawal scheme also incorporates a new feature. If you invest not less than £2,000, £4,000 or £12,000 you may now elect to have your withdrawals paid half-yearly, quarterly or monthly respectively. Of course, property values can fall as well as rise but provided that the annual total withdrawal does not exceed 6%, and that total annual appreciation is not less than 6%, your bond would retain its original value (calculated at the offer price of the Units).

### Tax Benefits

With Abbey Property Bonds you have no personal liability to Income Tax or Capital Gains Tax either while you hold them or when you cash them. The Company is liable to income tax on the rental income at the special Life Assurance Company rate—currently 37.5%.

The Company makes a deduction based upon the capital growth element of any profit on cashing-in units, in order to cover its own Capital Gains Tax liabilities. This deduction used to be made at 20% (which is 3% of the full rate of tax) but in present circumstances the deduction will be made at 15% which is only 1% of the full rate—an entirely new feature. Furthermore the deduction is only made when you cash in your bonds so that the Fund accumulates free of Capital Gains Tax, a great advantage to bondholders.

Surtax payers are liable to surtax (or higher rate tax after 1973) when they cash in or on death, depending on their surtax situation at the time of cashing in. There are a number of provisions which enable a surtax payer to reduce, and possibly eliminate, the liability. If you are a very high surtax payer you should contact Abbey Life for precise details.

### Investment Policy

The Managers of the Abbey Property Bond Fund are directed by the Investment Committee of Abbey Life to invest in top industrial and commercial properties with really sound tenants. To name but a few—National Westminster Bank, Esso Chemicals, The Post Office, W. H. Smith, American Express, IPC and Boots.

The Fund also buys sites and constructs its own buildings in conjunction with approved developers. Naturally, this is only undertaken with letting of the completed properties guaranteed in advance. Up to 25% of the Fund can be applied in this way.

### Regular Valuations

The Fund Managers carry out a valuation of the Fund's properties once a month. These valuations are independently audited by Richard Ellis & Son, Chartered Surveyors.

To make it simpler for new Bondholders, property bond units will be of the accumulator type where income is automatically re-invested and expressed as an increase in the unit value.

Those who purchased their bonds prior to October 1st will continue to receive their rental income in the form of additional units. Prices for both types of units are published daily in leading national newspapers.

### Low Charges

To allow for life cover and management expenses Abbey Life charges 5%, plus a small rounding-off price adjustment, which is included in the offer price of the new accumulator units. After that, charges total only one-half per cent a year. All expenses of managing, maintaining and valuing the properties, as well as the cost of buying and selling the Fund's investments, are met by the Fund itself.

### Cashing in Your Bonds

You can cash in your Bonds at any time and receive the full bid value of the Units, calculated at the valuation following receipt of your request, subject only to any adjustment for Capital Gains Tax as described earlier. The Company maintains adequate liquid resources, similar to that of building societies, so in normal circumstances there should be no delay in cashing in.

However, in exceptional circumstances,

the Company retains the right to defer payment or implement the conversion option for up to six months, pending realisation of properties.

### Guarantee

Now, when you reach age 65, the cash-in value of your policy is guaranteed if you have held the policy for 20 years or more. The minimum cash-in value of your bond would then be the same as the life cover (which increases by 3% p.a. compound after your 65th birthday) illustrated in the coupon below.

### Disclosure of Information

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the major properties and full financial information to let you see exactly how your money is invested. All new Bondholders receive a current Annual Report.

Fill in and post the application form together with your cheque. Upon acceptance of your application, you will receive your bonds showing the number of accumulator units allocated to you.

## Abbey Property Bonds

To: ABBEY LIFE ASSURANCE COMPANY LIMITED, Abbey Life House, 1-3 St. Paul's Churchyard, London EC4M 8AR. Telephone: 01-248 9111

I wish to invest £\_\_\_\_\_ in Abbey Property Bonds (any amount from £100) and I enclose a cheque for this amount payable to Abbey Life Assurance Company Limited.

Surname (Mr./Mrs./Miss)

Full First Names

Address

Occupation

Date of Birth

Are you in good physical and mental health and free from the effects of any previous illness or accident? If not please give details.

Do you already hold Abbey Property Bonds or Abbey Equity Bonds or another Abbey Life Policy?

Tick here for 6% Withdrawal Scheme:

annual (minimum investment £1000) quarterly (minimum investment £4000) bi-annual (minimum investment £2000) monthly (minimum investment £12000)

Send in your application and cheque now to get the benefit of the new Accumulator Units allocated at the current offer price of £1.03. Offer closes on Wednesday November 24th.

Signature

Date

STB SUN 5 V

Abbey Property Bonds are simple premium life assurance policies. The application and life cover charges into force only upon acceptance by the Company and the life cover may be terminated. Commission of 1% will be paid on any Application bearing the stamp of a Bank, Insurance Broker, Solicitor, Accountant or Solicitor. Commission of 1% will be paid on any Application bearing the stamp of a Bank, Insurance Broker, Solicitor, Accountant or Solicitor. No medical evidence will be required in normal cases.

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**Last year we made a big splash in the Mechanical Market — this year we're flooding it.**

For 18 months we have been preparing ourselves for an all-out assault on the Fork Truck Market, with the finest trucks available — the FIAT OM range. Over 30 models, with attachments giving a permutation of over 400. Our first priority was to stock up with spares BEFORE we sold the trucks, train our service teams to a high degree, test our systems and get the bugs out where they existed. You'll be seeing a lot more of SPRINGFIELD and FIAT in the near future. Have a free, no obligation demonstration, or write for literature.

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Designed Storage & Handling Limited  
Control House, 53/63 Wembley Hill Road, Wembley, Middlesex. Tel 01-428 5967.  
Transport and Warehousing (Ireland) Ltd.  
4-5 Sandwith Street, Dublin 2, Eire. Tel Dublin 770715.

**FIAT**



# Look at what the Save and Prosper Property Fund offers you.

1. Expert Property Fund Management
2. Up to 8% p.a. as Income
3. Special 100% growth guarantee
4. Life insurance
5. Tax advantages

## 1. Expert Property Fund Management

Everybody recognises that property can be a first-class investment. And most investors realise that a well-balanced portfolio should contain a stake in property.

Few private investors, however, have the time, resources or the expert knowledge needed to invest in property on their own account. The natural solution is a property fund.

The problem comes in making a choice between the various property funds. A vital consideration is to look to the quality and reputation of the management. Few property fund management companies could have better credentials than the Save and Prosper Group, whose experience in money management dates back to 1934 and who now manage over £550 million for more than 700,000 people.

Reinforcing the general experience and reputation of the Save and Prosper Group is the Property Investment Committee selected specially for this purpose by the Group. The members of the committee are C. D. Pilcher, C.B.E., F.R.I.C.S. (Chairman), C. J. Messer, W. G. N. Miller, M.A., C. F. Penruddock, C.B.E., and O. P. Stutchbury.

They are assisted by Messrs. Healey & Baker, who specialise in shop, office and industrial property throughout the U.K. And the Fund is valued regularly by an independent firm of valuers, Messrs. Cluttons, Chartered Surveyors.

By taking out an insurance policy linked to the Save and Prosper Property Fund you can get all the benefits of an investment in property, with a unique double-your-money guarantee, valuable life cover, and significant tax advantages.

The Fund Managers have freedom to invest in all kinds of first-class commercial and industrial property, development projects and other forms of property.

The object of the Fund is maximum growth of capital in the long term. And capital can grow both from increases in property values and the re-investment of all net income from them.

## 2. Up to 8% p.a. as Income

One of the key benefits of the Save and Prosper Property Fund for many investors is the special Income Facility:

• You choose the level that suits you best. Either 4%, 6% or 8% per year net.

• It is paid to you with no income tax or capital gains tax liability (see "Tax Advantages").

Payments are made half yearly, on 30th November and 31st May.

Proposals received during November, 1971 will be eligible for Income Facility payments in May, 1972.

You can take advantage of the Income Facility if your outlay is £1,000 or more in any one policy. This is how it works.

The Fund is divided into units, an appropriate number of which are allocated to your policy. The Fund's net income is automatically re-invested to increase the value of these units still further. The Income Facility is provided by realising the appropriate number of your units at the bid price and, given reasonable growth in property values, payments should steadily increase.

In any event, sufficient units will be realised to ensure that no payment will be less than the previous one.

The table shows the effect of different payment rates, assuming an annual growth rate of the units of 7½%.

Payment Rate	0% Policy Value	4% Policy Value	6% Policy Value	8% Policy Value
At start—	£	£	£	£
1,000 outlay	950	950	950	950
End of year 1	1,021	1,021	1,021	1,021
2	1,097	1,097	1,097	1,097
3	1,180	1,180	1,180	1,180
4	1,268	1,268	1,268	1,268
5	1,363	1,363	1,363	1,363
At the end of year 5				
Your policy is now worth	£1,363	£1,112	£1,000	£888
And you have received a total of:	Nil	£218	£313	£410

Remember — these payment rates are not subject to income tax or capital gains tax.

At the 7½% growth rate illustrated, you should note that a policy maintains its value with payment rates of 4% and 6% net.

At the 8% net payment rate, however, there is some reduction in value. The Fund Managers believe that for many older investors this very high payment rate may carry advantages that outweigh the reduction in policy value.

## 3. Special 100% growth guarantee

A special guarantee is written into your policy and is guaranteed by the

resources of Save and Prosper Insurance Limited: that your money will at least double in value after 20 years.

But in practice, your money should do considerably better than that. The chart shows how £1,000 would grow over 10, 15 and 20 years, assuming an annual growth rate in the units of 7½%.

GROWTH OF £1,000 AT 7½% p.a.

OVER A 10-YEAR PERIOD	£1,780
OVER A 15-YEAR PERIOD	£2,750
OVER A 20-YEAR PERIOD	£4,200

N.B. The assumed annual growth rate of the units includes increase in capital value (net of tax on capital gains) and reinvested net income.

It is, of course, impossible to forecast growth in unit values with complete accuracy, and, of course, property values can fall as well as rise. But over any long-term period, we believe the trend will continue to be upward, and the assumed 7½% p.a. growth rate shown above may prove conservative.

## 4. Life insurance

A Save and Prosper Property Fund single payment policy automatically provides you with important life insurance cover.

This life cover usually grows in value each year to a maximum of twice your original outlay. While, if you are under 30, the minimum cover starts at 200% and remains at that level.

The table below details life cover between the ages of 30 and 65. If you are over 65, special terms are available on request.

Age next birthday when you start	Your life cover at the start as a %age of your outlay	Your life cover grows each year by	To an amount after 10 years of	Up to an amount after 20 years of
Up to age 30	200	%	200	200
31-40	170	13	185	200
41-45	140	3	170	200
46-55	110	4	155	200
56-65	100	5	150	200

If you take advantage of the Income Facility, the growing life insurance cover and the guarantee to double your money over 20 years still apply. But both would now relate to the number of the remaining units allocated to your policy, rather than the number originally allocated.

## 5. Tax advantages

Income Tax and Capital Gains Tax. You have no personal income tax or capital gains tax liability on any money you take out of the Fund. The Fund's liability to tax on its capital gains and income is allowed for in the price of units.

Surtax. The surtax payer has the advantage that there is no liability to surtax on the re-invested income in the Fund.

However, if you die or surrender your policy (wholly, or in part through the Income Facility) there could be a surtax assessment on the increase in its value, depending on your overall tax position at the time.

Any surtax liability can normally be minimised by choosing a relatively low income year for cashing in. Surtax liability is calculated by dividing the profit made by the number of years your policy has been in force. The resulting figure is added to your income for the year (that of surrender or death) to determine your surtax rate. Surtax at that rate is then payable on your profit.

## A monthly savings plan

In addition to a single payment policy, you can also invest through a Save-Insure-and-Prosper Plan. This is a simple way to build up a strong stake in the Save and Prosper Property Fund by regular monthly savings. With an S-I-P Plan you also get life insurance cover and tax relief.

## How to profit from the Save and Prosper Property Fund

To take out a single payment policy, simply complete the larger Proposal Form and mail it to us with your remittance.

If you are interested in regular monthly saving through a Save-Insure-and-Prosper Plan, just complete and post the smaller coupon. We will send you all the information you need.

## Further details

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SAVE AND PROSPER GROUP



Tom Heywood: nothing to do with turtles

# Why does nobody care about their car?

BY GWEN NUTTALL

WHATEVER happened to the booming car-care market? Last month, Holt's, the best-known name in the business of supplying everything from Radwell radiator repair kits to Glycolmaster antifreeze, recorded its first-ever loss (of £85,000) for the first six months of this year. And while the faster-growing newcomer, Lloyd's Industries, has moved even more aggressively into the black over the same period, chairman Tom Heywood, who built his Turtle Wax success on the belief that the average man spent more on his car than on his wife, now admits that the average car owner is spending no more or general titillation than he is 10 years ago.

The joke is that there probably never was a boom. But because a number of house-proud car owners began using special shampoos instead of Fairy Liquid, because a newcomer like Turtle Wax advertised so effectively that polish seemed only the start of an entirely unexploited market; and because brokers were keen to isolate new areas of expansion, hence new growth stocks, the car-care market became one of the glamour industries of the 1960s. It even attracted Esso, whose much-trumpeted arrival two years ago became noticeably *sotto voce* fairly quickly. Yet this is such an under-researched area that no one really knows, even today, the size and growth of the market.

This is why the two leading firms can each operate on their own research which shows that both are brand leaders in the touch-up paint business. A lack of known landmarks is only one of the disadvantages facing 39-year-old John Parkin, the professional manager brought in three weeks ago as managing director of Holt Products Ltd, essentially a family firm despite its 1959 flotation. Holt's has seen profits virtually halved to £454,500 since 1965 (when it was a glamour stock) while turnover has risen steadily by some 40% to over £6 million. Parkin is the third managing director in four years, the second from outside the family, and a sure indication that chairman Michael Holt recognises the need for drastic measures.

As a recovery expert, Parkin can claim his medals. Put in charge of Rank's leisure division — as the seventh managing director in five years — he made it profitable during his four-year tenure, switching in 1968 to sort out Associated British Foods' tea and coffee outfit, Twinings. He found Holt's an almost classic case of bloated overheads, inadequate marketing and bad timing. The company had incurred problems as far back as 1965 with its purchase of Romac, safety belt manufacturers, integrating the sales system through the same wholesalers used by Holt's took two years to sort out. Then the cost of moving administration from the factories to a new Croydon office block slumped at least £30,000 on to costs.

But there were more serious underlying factors such as inadequate financial control. "Nobody can spend more than £5 without my assent," says Holt, a short-term measure to get the message across. In his first 10 days, he cut overheads by dismissing 32 people from the 100-strong sales force and eight executives. But a company which grew up offering the motorist everything ("Holt's is a car's best friend") scarcely has the same scope for development as one which started out to capitalise on one product, a polish which had had a runaway success in the US and Sweden. Once Turtle Wax repeated the performance in Britain, Tom Heywood was able to add other motorists' aids without being hindered by tradition. Not that foreign experience automatically guaranteed a soaring sales graph — especially when the company handling the launch was a Lancashire lard manufacturer called Kilmartin, part of Lloyd's Packaging Warehouses.

Heywood, after 11 years with detergent manufacturer Procter & Gamble plus a short spell at a small biscuit firm, Parkinson's, was hired in September 1961 to mastermind Kilmartin's diversification. Four months later, he launched Turtle Wax on a budget of £12,000. Lloyd's major strength lay in its application of basic marketing techniques, common enough in the grocery world, to the garage trade. One of the reasons for Holt's high return on capital (42% against 20% for its older rival) is its low investment in manufacturing capacity. It is almost a factoring company, selling products made by other people to which it applies its own marketing skill.

The strange marriage of lard and car polish is kept by Heywood out of sheer economics, not sentiment. The food side now contributing some £50,000 to profits with sales up 40% in two years, has just been expanded by the acquisition of Duerr's jams. Both Kilmartin and Duerr are regional companies, but they produce a useful cash "And they contribute to overheads. They share the same transport fleet, warehouse and head office staff as the car products. Only the sales forces and their directors are different."

This appreciation of finance is not all that common to marketing men, especially those trained to work to the P & G rule book. But it helps explain why Heywood's company has successfully branched out from one product (and in car polish it now outsells the three firms which had 90% of the market when it started 10 years ago, Simoniz, Autobrite and Johnson) into making money from the general car care business — its interim was £209,400, and it looks like over-shooting the year's £300,000 forecast by a comfortable £30,000. You don't do that simply by being good at marketing. It will be interesting to see if the new man at Holt can bring the firm round by basic financial disciplines.

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A wide cross section of industry now enjoys the economic advantages of butane and many applications have shown significant increase in productivity. To learn more about this low cost competitive fuel contact one of Shell-Mex and B.P.'s team of LPG experts who are available to provide you with a complete detailed assessment for your own particular application.

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### Aluminium

A major contract for the supply of 15,000,000 lbs of butane has been negotiated between the British Aluminium Co. Ltd and the Shell-Mex and B.P. Group for the new £37 million aluminium smelting plant at Invergordon, Scotland.

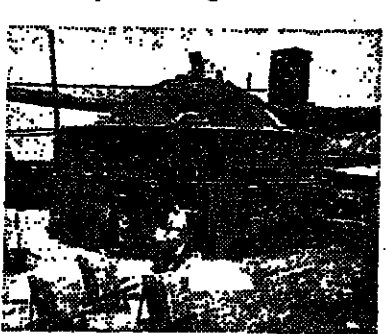
British Aluminium said: "We chose



butane because it is economical, efficient, easy to use and clean-burning. We have had considerable experience with butane in some of our factories in other parts of Britain and we are well satisfied with it."

The new smelter will produce 100,000 tons of virgin aluminium a year. The butane will be transported in 350 ton train-loads to the smelter on the Cromarty Firth where it will be stored in two spheres, each of 750-ton capacity. It will be used for all

heating purposes—baking of carbon anode blocks—heating holding furnaces containing molten aluminium and for space heating.



### Heavy Clay

The Coalville Brick Company Limited have successfully solved a heavy smoke emission problem by converting to butane gas. Tests carried out at their Leicestershire works on butane fired facing bricks also showed the quality of the product was greatly improved. In addition, it is expected that when all eight beehive kilns are converted to butane firing, productivity will probably increase by 25%.

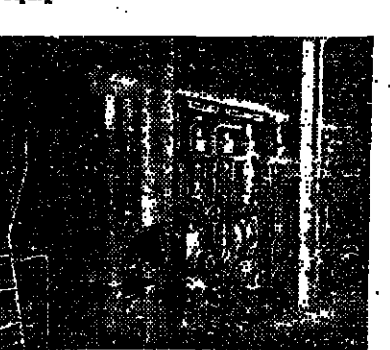
### Metallurgy

The Skefko Ball Bearing Company Ltd, is the British subsidiary of SKF—the largest roller bearing manufacturer in the world. They have replaced town gas with butane from Shell-Mex and B.P. at their works in Luton and Irvine, Scotland. It will be used to fire

15 furnaces. Skefko's comment was: "We were seeking means of reducing costs and found it more economical to use butane."

Exports of James Mills Limited (Stockport) conducted extensive trials before deciding to convert to Shell-Mex and B.P. butane from town gas in their heat treatment departments.

Steel products have been manufactured by the company for over 100 years and they are now the largest producer of bright steel bar section in Western Europe. By using butane the burner conversion cost was reduced to a minimum by the use of existing equipment.



It is expected that approximately 500,000 therms of butane will be used annually and that savings on running costs will cover investment in about 18 months.

### Records

RCA Limited, record manufacturers, have chosen to use butane from Shell-Mex and B.P. in their new factory in

Washington New Town, County Durham. Nearly 1,000,000 therms of butane will be used each year for the disc pressing and factory heating. After considering all the alternatives, RCA chose butane because it fulfilled their imperative requirements for a clean burning fuel which would offer the ultimate in efficiency, flexibility and economy.

### Dry Cleaning

As a result of a £250,000 capital investment Achille Serre Limited of Walthamstow E17 are the proud owners of Europe's most sophisticated laundry. The only problem was that they just didn't have enough steam capacity! So hot-air by LPG was called for.



Photograph by courtesy of Brown & Green Ltd.

The installation of a 12-ton propane storage tank followed shortly. And the difference was marked.

LPG from Shell-Mex and B.P. gave greater efficiency to the system. The fact that maintenance is low and no skilled operating personnel required, economically it presents an excellent long term proposition.

### Malting

Originally, the green malt used in the distilling of Chivas Regal Scotch Whisky was dried over a peat fire. This eventually gave way to anthra-



Photograph by courtesy of Brown & Green Ltd.

cite as a fuel—but this was far from successful.

In January 1970, the switch was made to butane from Shell-Mex and B.P. "We get complete independence from possibly fluctuating supplies,"

said Chivas Brothers. "And we get an extra full day's operation per week, as we don't have to clear out and relight as we did in the old anthracite days."

The use of butane from Shell-Mex and B.P. can be considered for virtually any industrial application and is already being successfully employed in vast numbers of industries throughout the United Kingdom. These include:

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## THE MINING MOGULS OF RTZ

Can RTZ, perhaps Britain's most exciting company, cope with its future?  
KEITH RICHARDSON reports

RTZ TINTO-ZINC is a company which presents a deceptively glossy appearance. In theory it has developed an almost perfect business formula: spend other people's money to build large, efficient mines; sew up the output with long-term contracts written in advance so as to take all the risk out of the deal, and then sit back and wait for the profit to roll in. Deal seems to follow deal in immaculate succession, each one bigger, more picturesque and more lucrative.

The truth is reassuringly more patchy. There is little evidence of a genuine master plan. RTZ is a company that dates back to the merger in 1962 between Rio Tinto and Consolidated Zinc, but its effective history began in 1951 when Val Duncan, an old-fashioned lawyer then aged 38, was hired from the Coal Board's marketing department by investment banker Sir Mark Turner to run the old Rio Tinto company. Duncan completed the triumvirate which was to steer the group for 20 years by hiring an internationally-minded electrical engineer Roy Wright from Rompion Parkinson, and quickly they decided to sell out of the aggrand and politically suspect Spanish mine that was their only effective asset. But even then there was only a vague idea of going into exploration and some-how investing the money in "natural resource ventures" all over the world—especially in the politically stable Commonwealth.

For some time the track record did not look too good, either. Going into Atlas Steels in Canada was a major error of judgment, but early moves into uranium brought management problems and a serious over-estimate of the market.

Neat footwork pulled RTZ out of a mistaken venture into oil and zinc smelting at Avonmouth brought nothing but trouble. Even the group's three giant money-spinners were all conceived in an atmosphere of uncertainty. Would the price of copper be high enough to justify "alabara"? Would there be a market for Hamersley's iron ore? Wouldn't it be better to build something smaller and less risky at Bougainville? These were all real questions heatedly debated within the group's urbane St James's Square headquarters.

But for all the apprehension, 2,000 million of assets accounted for by the group and its tangle of sister companies it would still be wrong to judge it in the same way as, say, General Motors. Mining is a venture business. Some ventures inevitably do worse than

others. What matters is making enough of them come right.

To this end an impressive number of skills has been gathered together, without hiding the fact that Sir Val Duncan's approach is still essentially a romantic one. The thrill of seeing turbines rolling, metal in production, giant construction works where a few years earlier there had been only empty wastelands, the whole concept of opening up unknown country to fuel the world's ravenous hunger for raw materials, these are powerful emotional forces. The trick is to make the romance earn a profit. And because of all the risks, and because of the pattern of heavy expenditure before revenue flows in, nothing less than very high profits are worth aiming for.

Roy Wright looks back nostalgically to the days of the Canadian uranium deal, "when we had to do everything ourselves, from planning the mine to marketing the product—now with all these planning departments the place is unrecognisable." But the triumvirate learned as they went.

They learned how to charm money on an unmatched scale out of hardfaced German and American banks; how to minimise technical risks by relying on crude, large-scale open-pit mining; how to negotiate patiently with sensitive, nationalistic governments; how to draw on other people's specialist skills (developing a particularly close liaison with Bechtel for construction management); they learned how to co-operate with other groups to solve marketing problems and spread risks.

In fact co-operation is the hallmark of RTZ at work. At Weipa in Queensland it has an amazing bauxite deposit, but this would have meant nothing if it had not managed to bring in the world's aluminium giants—Kaiser and Alcan and Pechiney. By next year nearly £400 million will have been invested in mining and refining and smelting to exploit the 1955 Weipa discovery, all on the back of an RTZ equity stake of no more than £18 million.

One general result of this co-operation pattern is that RTZ shareholders themselves own such a tiny proportion of the assets which they, more indirectly, manage. They own only 39% of the Palabora equity, only 42% of Bougainville, 43% of Hamersley, 26% of Lornex, 24% of Churchill Falls—while in each case but Palabora the total equity stake is small compared with the debt.

To some extent, therefore, RTZ is working hard at earning



money for other people. Yet, as Duncan is quick to point out, the total assets involved are far above the UK's financial resources, and on every count it is better to have a controlling stake in all these projects than just to own one of them.

But there are also political implications. Besides its major partners, RTZ has local equity participation in many of its subsidiaries—sometimes on two levels, so that a Melbourne investor can buy shares in either Conzinc RioTinto of Australia, or directly into a CRA-controlled operating company.

Besides bringing in useful extra cash this partly allays local fears that their resources are being milked and their economy taken over by far-off Londoners. It is an enlightened approach which, no doubt, one day the Ford and Esso of this world will have to adopt if they are to remain politically acceptable in the countries where they operate. But it creates a host of management problems which may be becoming worse.

### Controversial man from Melbourne

Having minority shareholdings means that subsidiaries have to be run on a fairly loose rein from London. This is in many ways a good thing: Duncan claims that this concept of "minimum co-ordination" is the most important element in his plan because of the scope it gives for employing executives of the highest calibre. "If you want to press the buttons yourself then you will only get second-rate people."

So a strong personality such as Bob Armstrong in Toronto can claim that he regards control from London as a "very nebulous thing" and that he does not

so much take instruction from Duncan and Wright as reach agreement with them. He worked out his own financing plan for Lornex, but consulted with Mark Turner as he went along. Yet the fact remains that while the precise limits to Armstrong's powers have not been laid down or tested he refers all significant capital spending to London (where he himself is a main board RTZ director) and checks, for example, all salaries over \$30,000 with Duncan.

This uncertain relationship is coming under particular strain in Australia, where the crucial job of running CRA has been passed to the controversial figure of Rod Carnegie, a 39-year-old ex-management consultant promoted over the heads of experienced mining men after barely a year at CRA.

Even today attitudes can be found in CRA which track back to the 1962 merger, when the hard professionals of Conzinc, every one apparently born and bred in the back streets of Australia's oldest mining town, Broken Hill, linked up with the rather exotic figure of Val Duncan from London looking for ideas in which to invest Rio Tinto's cash.

Sometimes it is hinted that Conzinc alone knew about mining—Duncan was just "good at raising money." He is mocked for having signed an agreement that now pays large royalties every year to local explorers Hancock and Wright who did not in fact discover the iron ore deposits which RTZ is actually exploiting—though, to be fair, what Hancock and Wright were selling was the idea of iron ore mining in North West Australia, and the Melbourne mining houses had all been too cautious to move until Duncan came along. Conzinc could have had Hamersley but it was Duncan who got it.

But since the merger the myth has been allowed to grow (partly for political reasons) that Australian-managed local companies were enough to run each mining

venture as a separate exercise and London could be regarded as a remote nuisance factor, to be blamed when things went wrong. During the 1960s, when demand from the Japanese was exploding and the priority was to bring mines into production swiftly and effectively, the myth could be sustained (although technical advice from South Africa and financial aid from London could not be ignored). But now the whole situation is changing, and this is Carnegie's problem and on a larger scale it is the dominant problem of the RTZ group.

The trouble is that the 1970s look like being as much a buyers' market for metals and minerals as the 1960s were for oil. With world economies in recession, intensified by the damage caused by the Nixon measures last August, Japanese industrialists are looking for every excuse to cut back their purchases. Iron ore is being rejected for quality and copper for pollution problems that in any other year would be bought freely; if the situation deteriorates even the firmest sales contract must give. As Duncan admits, "in the last resort people cannot eat copper."

To survive in such a climate a mining group will need more than tonnage, it will need a sophisticated marketing effort. It may have to follow the aluminium pattern and move down-stream, into copper smelters in New Guinea or steelworks in Hamersley—even offshore projects such as a joint RTZ-Japanese steelworks in Indonesia which has been discussed.

This in turn will need better financial planning, yet the Australians, lacking the professional management traditions of Canada, have always tended to regard these as unnecessary arts and until Carnegie's arrival CRA left this sort of thing to London.

There is no need even to try to run RTZ like Esso or Shell. It does not need a bureaucracy. Co-ordination can be handled by a

few men, such as Carnegie persuading bouncy operating companies to postpone their favourite projects for cash or marketing reasons, or John Longden, who has reached the RTZ board as a one-man Far East marketing department and is just about to leave London for his 56th visit to Tokyo in five years.

Much of RTZ's work is done through a strong network of top-level contact men: uranium is alleged to have begun because Sir Mark Turner sat next to atom chief Lord Plowden on an insurance company board; Roy Wright "happened to know" Bethlehem Steel well enough to fly out at a moment's notice to enlist their aid in solving the Churchill Falls financial crisis in 1968; the group's major links with Kaiser in Australian aluminium and iron ore helped to bring Kaiser into the Anglesey smelter project; it shares a director, Mark Littman, with a major potential customer, the British Steel Corporation; it has close links with European finance through both the London and Paris Rothschilds. On this level "co-ordination" should not hurt too much the susceptibilities of local governments or local company directors. But the risk is always there.

The changes through which RTZ is passing must affect a view of its share price. Last year out of £99 million consolidated group profit the net after-tax attributable to RTZ shareholders was £27 million. Earnings per share were just over 12p, and have been around this level since the Palabora profits began to flow in 1967. Through 1967-68 the share price leapt from 90p to £4—and yet this year earnings may even fall below the 1967 level. No wonder the company acquired an "always jam tomorrow" image and the price is back down at £1.55.

Yet on any reasonable view earnings per share should double over the next three years, because so many new projects are coming

in. Bougainville dominates everything else—assume 150,000 tons of copper a year at £450 a ton, assume a cost of £290 a ton as metal (putting it slightly worse than Palabora's £180), add in £10 million a year credit for gold and silver, gives an operating profit of £50 million a year of which £16 million or so would net back to RTZ shareholders. Up to £5 million of earnings may be won from more than doubling Hamersley (assuming good production costs but some marketing problems), while Lornex, Churchill Falls, the aluminium expansion and the lead-zinc rationalisation will all contribute.

Something has to go seriously wrong for earnings not to double. RTZ's internal forecasts are probably looking for rather more. Yet there are problems. The immense burden of debt repayment means that the dividend, last year 8p per share, can grow only slowly. Tax rules mean that a heavy bill would have to be paid if any Bougainville earnings were remitted back to the UK so they must be earmarked for reinvestment in Australia.

### A decision about risks

Ploughing back into yet more huge ventures must mean that the group never escapes from carrying a heavy burden of non-productive assets, although RTZ has learned to minimise this burden by borrowing interest as well as capital for new projects and capitalising it instead of charging against profits. Its accounts are always open to the charge that the minority shareholders do best, so that anyone who is utterly sold on Bougainville would do better to buy Bougainville Mining shares direct. Above all the share is vulnerable to world economic problems.

Left: the Rio Tinto board in session last week.

When the price of copper shifts £100 it will soon be making over £10 million a year difference to group profits. Yet copper has just moved from £700 to £400 in barely a year. If Japan slows down much more than the vital extra tonnages from Paraboroo or Bougainville may be unsaleable at any price. Conversely, once the world economy starts roaring ahead again, then RTZ is in a position to turn this into extra profits faster than probably any other London-based company.

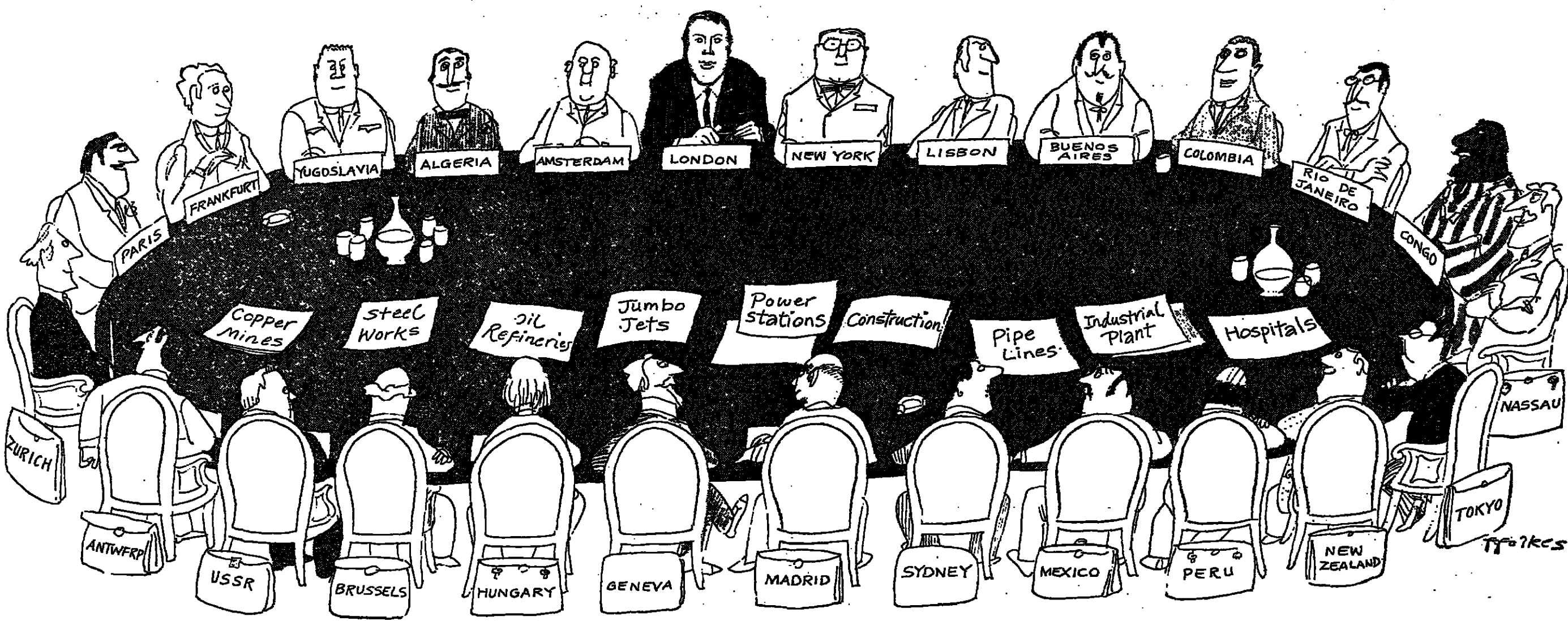
So buying RTZ is a decision about risks, and it might be judicious to conclude that the price will fall further before it rises, but that when it does rise it could gather momentum very fast that may well bring it back to £4 on a two or three year view. Buying RTZ is also a decision about management. Sir Val Duncan is trying for more giant projects. More hydro-power in Canada, uranium enrichment, big uranium developments (the true figures are a closely guarded secret) in South Africa, copper mining in Siberia, the Thames Estuary, and perhaps the favourite of all, the Channel Tunnel. It is no use buying RTZ except on the belief that it can succeed with its next projects as well as its current ones.

Finally it is a decision about political risks. Val Duncan has compounds the problem. If RTZ ends up as a government-owned open pit mine in North Wales it will have to argue the whole business out with a government which itself must be very uncertain as to what true popular feeling in Britain is.

There is clearly a school of thought that does not want a mine in Wales on any terms. There are Welshmen who want the jobs at the mine and those who want to keep the country unspoiled, and those who believe that mass tourism does more scenic damage than one mine could ever do. At a price RTZ would undoubtedly lean over backwards to disguise the mine, but there is no way of making it invisible. The bigger the discovery, the more hard fought will the battle be, for RTZ wants UK earnings and the Government would value the big savings on foreign exchange. But the political tactics will tax all of even Duncan's diplomatic skills.

In a sense RTZ is reaching the end of its simple, romantic far more complex. But however it does develop, there is a case for arguing that this is the most exciting and adventurous company that Britain and perhaps even Europe has produced since the war, because of its record in going out into the world, solving problems, ignoring excuses and getting things done. Thanks to Val Duncan, as Britain goes into the Common Market, mining at least is one industry of which we have no need to be ashamed.

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Treasurer

£4000

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ACADEMIC APPOINTMENTS appear on page 29

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Box No. replies should be addressed to THE SUNDAY TIMES, Thomson House, 200 Gray's Inn Road, London, WC1, unless otherwise stated. No original testimonials, references or money should be enclosed.

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The successful applicant must be a qualified engineer with sound practical experience in inspection and Quality Control procedure of any of the "big 4" motor vehicle manufacturers. He will be responsible for monitoring quality of all the products and the efficient control of inspection functions. Duties will include liaison between design, buying, production and process planning, both at Ammanford and also at the Barking Factory in order that quality balance can be integrated throughout the complete process of design and manufacture.

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Application should be addressed to the first instance to: Quality Control Manager, Delanair Limited, Barking, Essex.

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Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope. PA Advertising Limited, 2 Albert Gate, London SW1X 7JU

COMPA Computer & Management Sciences Appointments  
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The ideal applicant will hold a BA or similar degree and be able to demonstrate a progressive record in the personnel field or in administration. He must be practical with a professional approach and experience in a managerial position would also be an advantage.

Reporting directly to the Board, he will be responsible for the development of the complete personnel function and it is expected that he can advise generally on disciplinary procedures and industrial relations.

The successful applicant will probably be over 30 years of age and is unlikely to be earning less than £2,500 per annum at present. Salary will be negotiable but this is not expected to be a deterrent in final choice. A pension and life assurance scheme is in operation and generous assistance with relocation expenses will be available.

Applications will be treated in strict confidence. Box AU697.

## INDUSTRIAL RELATIONS OFFICER

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Growth has been rapid and a recent development has been the establishment of an Industrial Relations Unit at Head Office in Falmouth, Middlesex. We now wish to appoint an Industrial Relations Officer to join this small team of specialists working on new areas of policy and generally developing the Group's expertise in this field. His duties will mainly consist of assisting Line Management with wage and bonus negotiations and advising on all matters associated with such negotiations.

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Applications, which should include a brief outline of experience, qualifications and salary, should be addressed to:

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The Division specialises in the design and supply of plant based on drying technology to a wide variety of industries at home and abroad. The successful applicant will be responsible for the profitable operation of the Division.

This post offers an exceptional opportunity for an outstanding younger man to take general management responsibility.

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Salary: Negotiable, around £2,500 p.a. plus fringe benefits. Send a postcard immediately for an application form to:-

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## Filling the generation gap

ONE OF THE last things you expect to find in a snow-covered valley 45 miles from Oslo is a factory making gas turbines. But that is just what a company called Kongsberg Vapenfabrikk is selling—the transportable variety seen here with managing director Bjørn Hurlen. Each sells for \$50,000 and is intended for hospitals or schools needing emergency electricity supplies. KV has already sold 50.

The development of these machines, more specialised than those turned out by his firm, is typical of the Norwegian engineering philosophy: aim for specialisation and you can make a good living. That is why KV,

which started out making guns and rifles for the king in 1814, is going for particular lines with its other products, including computers and numerical controls.

Military orders still account for more than half the business (which also includes making drive shafts for Swedish Volvos) and KV is scoring with some interesting projects. They have nearly doubled in two years and with a turnover of £14 million, KV is around number 10 in Norway's industrial league table. As managing-director Hurlen says: "We will never be a major engineering force in Europe. But we could become one in the eyes of certain customers."

## Norwegians at the limit

BY JOHN FRYER, Oslo

IN EIGHT days time, Geoffrey Rippon, Britain's Common Market negotiator, goes into a meeting with ministers of the Six to thrash out an acceptable fishing policy. At present, talks are deadlocked, although Rippon has found ways round worse impasses in the past. But the key to success or failure may lie not with him but here in Oslo, where the Norwegians are nervously edging their way towards Europe while refusing to concede an inch of their valuable fishing grounds.

It may seem slightly bizarre that the Norwegians, who are very much the lightweights in this battle of the European big boys, should be able to exert power for virtually the first time since they applied to join the Community. But the feeling in Whitehall is that Rippon will not be able to accept anything less for British fishermen than the Norwegian Government gets for the Norwegians.

Geoffrey Rippon is said to see the fishing problem as the last major stumbling block to signing the Treaty of Accession just before Christmas. But, if he has a problem finding a way to hold on to support from Tory backbenchers in fishing constituencies, his difficulties are nothing compared to the Norwegian Government's.

It is the plain fact that fishing could completely sabotage Norway's chances of entering the Community, which most of the country's industrialists, trade union leaders and the majority Labour Party see as essential, that is worrying people in Oslo. Their dilemma is that they need to keep up their fishing industry (which still accounts for 18% of Norway's exports), while at the same time desperately wanting an expanded free market to push on the embryonic, but potentially thriving, engineering and manufacturing industries.

For Norway, often seen as a land of fishing, with some timber and aluminium businesses, is really a much more complicated economic animal. It is true that fishing is the mainstay of the north, where small communities, sometimes numbering only 200 people, live among the hundreds of islands in the 1,600 miles of fjords and coastline. But in the south around Oslo (pop 490,000) and the oil boom town of Stavanger in the west, things are rather different.

Only 400,000 of Norway's four million people live north of the town of Trondheim, which is about a third of the way up the coast. It is particularly along this northern area that Norway is demanding a 12-mile copper-ore-fishing limit, which cannot ever be renegotiated. It would, if possible, like a similar limit round the whole coast. (The Six are offering a package living certain areas, which in Britain includes the Orkneys and

Shetlands, a 12-mile protection, but are insisting on this being negotiable after 10 years. Rippon has rejected these terms.)

The reason for Norway's dogmatic stance is that it fears the big trawler fleets, particularly from Hamburg, will move in to clear out its already over-fished northern coast. If this happened, small towns and villages, many of which have a fishmeal or freezer factory, could simply die.

Despite the fact that fishing accounts for only 14% of Norway's gross national product, the Government wants to keep its Northern communities going for social reasons. With an exposed coastline, and a short land border with Russia in the far North, this argument may have sense not only for Norway but for NATO.

At the same time, the Government has to tackle an industrial picture which shows a decline in Norway's traditional industries, based on its natural resources of water (for hydro-electric power) and timber for pulp and paper. There are clear indications, with a growing conservationist lobby to protect remaining waterfalls, that further expansion of hydro power will be limited. Meanwhile, bankrupt pulp mills at places like Mjondalen, on the road from Oslo to Kongsberg, testify to the failure of Norway's timber industry to keep its prices down to a competitive world level. At the moment, of course, Norway's other traditional industries of shipping and shipbuilding are continuing to do well.

But, along with them, it is companies like Kongsberg Vapenfabrikk, that the Government sees as the hope for the future. Specialisation in lines like KV's gas turbines should open up profitable export opportunities in the EEC, particularly in Germany, the chief importer from Norway.

So it is against this background that Norway goes into the coming week with apprehension. Of course there is a brighter side, like the big oil find at Ekofisk, the Phillips Field 138 miles out in the Norwegian sector of the North Sea. At Stavanger a massive concrete bubble, 280ft round, is being made, to tow out as an oil storage tank for the field; it is a new, and potentially hazardous, Norwegian island, for the water there is only 220ft deep.

Last May, when the Storting (Norwegian Parliament) voted on whether to continue talks on fishing with the Six, 37 members out of 150 voted against. To join the Market, after a consultative referendum, the Storting must have 75% in favour, so one single vote could swing it. These are the stakes the Norwegian parliamentarians are playing with in Brussels. It will take all Geoffrey Rippon's dexterity to save his, and his Norwegian counterparts, political face.

## As Rand Corp parts with its top man, HARLOW UNGER finds America thinking hard about its thinkers

HENRY ROWEN is looking for a job. He is 46, has a BSc in Chemical Engineering and Industrial Management from the Massachusetts Institute of Technology, and he has a BA in Economics from England's Oxford University. He is married, has six children, and, except for a two-year leave to study at Oxford, he has held but one job for one employer for the past 21 years.

Rowen's job is — thinking. Indeed, for the past four years he has probably held America's top thinking job — as President of Rand Corporation, America's most prestigious "think tank".

There are about 20 such think tanks in the US now. The 10 largest took in about \$250 million last year from thinking activities and employed about 12,000 people. The largest is Bette Memorial Institute, which earned \$110 million and there are other acronymic organisations such as ARPA, MITRE, ANSWER and ITA.

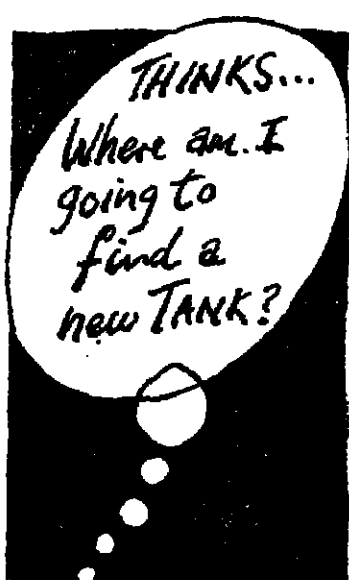
Rowen made headlines last week by announcing his resignation. Officially, he explained the move this way: "Maintaining the vitality in institutions and in people is brought about by change. Rand and I are no exception."

Unofficially, there was little doubt that Rowen's departure was not voluntary. He had started at Rand with eight years in the economic department, then led a study which led to the basing of 1,000 Minuteman intercontinental ballistic missiles in the US at a cost of \$20 billion. That decision proved so bad that the US must spend an additional \$15 billion for the safeguard anti-ballistic missile system needed to defend the Minuteman.

Nevertheless, it was not that display of illogic that led to Rowen's departure. Thinkers are expected to err. Instead, it was his close friendship with former Rand Corporation researcher Daniel Ellsberg, who allegedly copied the now-famous Pentagon Papers while at Rand before passing them on to the Press for publication.

Virtually all mistakes but security leaks are forgiven in a think tank—poor thinking, illogical thinking, mistaken thinking and even no thinking at all.

Think tank thinkers are permitted and even encouraged to talk to one another freely and without reservation—inside the



think tank. It is only through such constant exchanges of ideas that think tanks eventually turn out their final products. But the cardinal rule of every think tank is never to utter an inside word outside. Indeed, once outside the tank, it is best not even to think the thoughts one thought inside.

Rand is a non-profit research foundation—the letters are an acronym for Research And Development—and pays no taxes. It was founded in 1948 to "further and promote scientific, educational and charitable purposes—all for the public welfare and security of the United States of America."

In simpler language, Rand was started by the US Air Force to plan its future strategic systems when it found it could not pay scientists and thinkers sufficient high salaries to prevent them from returning to university campuses after the Second World War.

Think tanks have been responsible for every new weapons system the Pentagon has ordered since the start of the Korean War. Although the American public blames the Pentagon and its generals for the huge military burden America now carries, there is ample evidence that the Pentagon's generals are often reduced to nothing more than bombarded marionettes that dance to the tunes composed at America's think tanks.

Rand Corporation is relatively small, as think tanks go, with gross revenues of only \$11 million last year. Of the total, \$11 million came from the Air Force and \$9 million from other Government agencies for security work. No one outside Rand has the slightest idea what these projects involved, although it is certain they deal with Chinese and Soviet strategy, defence inventory management, and nuclear proliferation.

The work of the \$13-million-a-year Institute for Defence Analysis (IDA), is even more secret. IDA was set up by a consortium of five colleges in 1956. Theoretically, its job was to study weapons systems, civil defence and disarmament, but the only visible result of IDA's research were the 1968 riots by Harvard, Princeton, Cornell and Columbia students protesting against the use of their campuses for IDA research for America's war machine.

Even Rand has now diversified into non-military areas. It now spends 25% of its resources studying urban problems at its newly-established Rand Institute in New York. Rand Institute has undertaken a number of studies for the New York City Government.

Dr Ralph Lapp, former head of nuclear physics for the US Office of Naval Research, contends that the Government created think tanks to fool the public into believing that all Government claims can be backed up by independent research. But, Lapp claims, "You can always make an analysis turn out the way you want it if you feed in the right inputs."

The think tanks are now going to have to stop fooling around and get down to some serious thinking if they plan to continue diversifying into non-military areas.

The personal tragedy of Rowen's forced resignation was that it had been he who planned and started Rand's diversification into America's domestic rather than military problems. Although the Pentagon was not even slightly suspicious that Rowen knew anything about Dr Ellsberg's adventure with the Pentagon Papers, "Rowen was captain of the ship, and once that kind of ship springs leaks, you have to get a new captain who knows how to run a tighter ship."

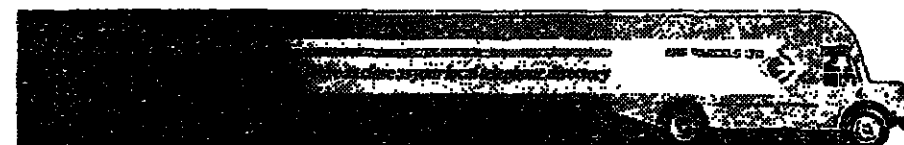


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Trust Aim. The aim is long-term growth of capital and income. Buying Units. Units are for sale at the price ruling on receipt of your order. We will not acknowledge receipt of your application and remittance, but will despatch a certificate for the units within 21 days. Selling Units. When you decide to sell, which you may do at any time, the Managers will buy back units at not less than the bid price calculated on the day your instructions are received. In accordance with a formula approved by the Department of Trade and Industry. Payment is normally made within seven days.

Safeguards. The Trust is authorised by the Department of Trade and Industry, and is a "wider-range" investment under the Trustee Investment Act, 1961.

The Trustee to Investment-Trust Units is Barclays Bank Trust Company Limited. Price: The offer price currently includes an initial service charge not exceeding 5% plus a small rounding up charge. Out of this, commission of 1% will be paid to Banks, Stockbrokers, Solicitors and Accountants on applications bearing their stamp. Income. Distributions of net income are made on 31st May, 1972. A half-yearly charge currently of 1% of the value of the fund is deducted from the Trust's income to defray Managers' expenses incurred in the management of the fund. Units can be re-invested in further units if you wish. Units are at present "xd" which means you will receive your first distribution on 31st May, 1972. A half-yearly charge currently of 1% of the value of the fund is deducted from the Trust's income to defray Managers' expenses incurred in the management of the fund. Units can be re-invested in further units if you wish. 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WHAT DO we want our computer industry to look like in 1980? What will it be like if things are left to go on as they are? How can we bridge the gap between the two?

These are the questions which Parliament's Select Committee on Science and Technology should have tried to answer when it reported on the prospects for the industry last week. Instead, although it showed its heart was in the right place and produced an excellent survey of the current situation, it preferred to play the old game of setting up new Government bodies and giving them large, but vaguely specified, lumps of the taxpayer's money to play with.

The chief practical recommendation in the report was that the Government should spend substantial sums—"not less than £50 million per annum"—to finance market-oriented research and development by British-controlled companies in the industry. But questions as to how the money should be spent, and what the taxpayer could expect in return, were brushed aside.

And the great omission was any mention of the objective which has been taking up vast amounts of the industry planners' time in the past few years—how to promote co-operation between Britain's ICL and the Continental computer firms such as Siemens, Philips, AEG and CIL. Instead, there was a rather ugly industrial chauvinism all the stranger beside the dogged attempts of ICL and others to get co-operation off the ground.

The report puts repeated emphasis on the need to give

preference to companies where the controlling share interest "is held by UK nationals." But there is little discussion of why we should have a wholly British owned computer industry, still less of whether it is feasible.

And looking ahead to 1980, the answer must be that it is not feasible. Given the realities of home market size and technological nationalism, a wholly British computer company will inevitably be kept down in the second division of the world league.

By the end of this decade, the computer industry is likely to have a structure rather similar to the car industry's which it promises to rival in size. No doubt many small and medium companies will survive very well serving specialised sectors. But the mass general computing market will be supplied by IBM and two or three other American giants, perhaps with one or two Japanese ones as well—and with a question mark over the future of the European independents.

The European companies could remain almost entirely local suppliers, living off Government preference and a protected home market. If the

politicians are foolish enough and the taxpayers stand for it, they could have become dependent on huge research grants to enable them to develop a wide range of their own equipment and systems despite their small turnover.

More probably they will become, increasingly, assembly and sales organisations sewing together modules bought from other suppliers, mainly American. As such they would probably be fairly profitable with only modest protection. But they would give only the illusion of being a complete local computer industry. Whenever Government or industry wanted really advanced systems, it would have to go to the Americans for them.

Without European co-operation, these alternatives are the best that can be hoped for. Suppose ICL does get, say, £25 million a year in research contracts. It cannot possibly achieve a proper return on the money without large sales in the rest of Western Europe. But in Germany the Government will be struggling to get

BY TIMOTHY JOHNSON

a return on all the money it has put into Siemens and AEG's computer interests; in France the favoured protégé will be CIL, and so on.

This means that any schemes for injecting large amounts of money into the computer industry should have genuine European co-operation as one of their first objectives. And instead of saying as the Committee does, "The Germans plan to give their industry £102 million in 1975, we should keep up," it would be better to ask how the British industry can benefit from the money.

With programmes of this size there should be tremendous scope for cross-licensing and work sharing. There is no good reason why every country in Europe should simultaneously try to invent the wheel. And since the money is being provided by Governments, the commercial obstacles to co-operation should be much easier to overcome.

Up to now, attempts at co-operation have been too obsessed with grandiose pro-

jects—a new giant computer, a space research system, and so on. Better first steps would be more modest reciprocal agreements on the development of peripherals, specialised systems and so on. But the aim for 1980 ought to be a consortium of computer companies fully up to the world class in technology and marketing strength. The consortium would need to be capable of serving any computer needs Europe might have, strong enough to win at least half the total European market, and internationally competitive enough to sell in the United States and Japan.

The practical problems hardly need listing. It seems unlikely that the powers that be will be prepared to sink all their interests in a single European computer corporation by 1980, which is why the consortium approach with all the limitations that would entail may be necessary. Fairly drastic measures might be needed to give the consortium the market share it needs. Tough diplomacy with the United States and Japan will be needed to ensure the

consortium has the same opportunities there as American and Japanese companies have in Europe.

This adds up to a tall order, but there are good reasons for it. Europe needs a total computer capability under local control for reasons of economic rather than military strategy. If anyone still thought the US was an eternal fountain of economic benevolence, events since August should have disabused them. A world-class computer company should be a highly profitable investment. Why shouldn't Europe get a share? The computer industry offers some of the most exciting and rewarding work opportunities around today. Europe should offer its citizens a full chance to enjoy them. Management information systems, credit checking, government, health care, education—these are just some of the areas where computers will be important. If we are to have full control over our own destiny, we need to work out our own solutions to these problems—not make Hobson's choice of systems developed for the US Middle West.

None of this is to say that American-owned companies should be excluded in any way from European markets. On the contrary, their health and presence is very valuable. But Europe—and the rest of the world—does need a genuine alternative with a different approach and different ideas.

\* *The Prospects for the UK Computer Industry for the 1970s*. House of Commons Paper 621-I; S.O.; 47p.

## A plague on both your taxes

BY MALCOLM CRAWFORD, Economics Editor

ONCE AGAIN, for the second time within a decade, Government and business are split over basic reforms proposed for company taxation. Unlike in 1965, the present Government has proceeded by consulting before acting. Last spring it proposed a German-style two-rate tax system—one rate for retained profits, and a lower one for distributed profits, with standard-rate deductions of income tax on the latter bringing the two into overall equality by the time the money reached the shareholders. But its mind was not quite closed to an alternative—an anglicised version of the French system of "imputation," whereby there is a single rate of corporation tax, which is deemed to include the shareholder's income tax liability (again at the standard rate).

Last week the Commons Select Committee appointed to review the matter came down in favour of the French system. So (since the Government published its green paper) have the Germans. If Britain were to go on to the German two-rate system in 1973, as proposed in April, we would be the only important country in Europe with that system.

Rumour has it that Treasury Ministers are now leaning in favour of an "imputation" system too. But industry (or rather, multinational business) is unhappy about both alternatives and, with the support of the CBI, is canvassing other proposals which would be more liberal towards earnings from overseas.

### Shareholders never expected this

The Government's main objective, in proposing the reform, has been to "remove the present discrimination against distributed profits." Its decision would also be influenced by "developments in company taxation within the European Community." Easing the lot of Britain's multinational companies, although a live subject in the financial pages ever since Jim Callaghan introduced corporation tax in 1965, has never become a great political rallying-cry. Even so, their shareholders can hardly have expected, on election day June, 1970, anything quite as bad as the Government evidently plans now.

On this aspect of the reform, it makes little difference whether the Government goes for a two-rate or an imputation system—given the Inland Revenue's stipulation that, for administrative feasibility as well as equity, there must in either case be pre-deduction of income tax at source.

The choice offered is either corporation tax on retained profits at (say) 50%, and on distributed profits at 20%, with a standard rate of unearned income tax of 30% equalising the two (assuming standard rate shareholders); or corporation tax at 50%, of which a schedule F income tax payment of 30% on the dividend is deemed to comprise the first instalment. Though formally different, in their arithmetic (given these rates) they are identical.

In either case, a company with £100 profits all retained, pays £50 tax and that's that. If the £100 profits are to be distributed (apart from tax) it is a bit more complicated. For a start, £21.43 is paid as income tax. Under the imputation system, this represents 30% of the imputed gross dividend (£71.43) of which the net dividend is £50. This £50 net dividend is paid out. Then the other £28.57 is paid as the balance of the firm's corporation tax liability, and the tax collector treats the company as having paid £50 (£21.43 plus £28.57) in corporation tax. Under the two-rate system, the £21.43 is not called a credit against corporation tax; the latter is charged at a lower rate, on the distributed profit, but the tax paid works out the same.

Now suppose the firm's income is all from overseas, and its average foreign rate of tax is 50%. If all profits are retained, it can nicely offset its foreign tax against its corporation tax, and pay no UK tax. If it distributes all its profits, however, it has a problem. Its shareholders' schedule F tax is not refundable, and hence the maximum rate against which foreign tax can be offset is 28.57%, where all profits are distributed.

Under the present system, up to 40% foreign tax is offsetable, whether profits are retained or paid out. Multinationals will, therefore, have a far more powerful incentive to retain earnings under the Government's proposed system than under the Kaldor-Callaghan one. They will also be worse off, on average.

The Government has not gone firm on the numbers, of

course, but merely changing the numbers does not help the multinationals. The standard rate of income tax on investment income could hardly be less than 30% (it is 38.75% now), and if it were higher the penalty against firms with foreign earnings and low retentions would be even greater than in the above example.

Shell should not be much worse off than at present; with a fairly average pay-out ratio, it might be able to offset almost 40%—though a director, R. T. Essam, revealed in evidence that its average effective rate of foreign tax was 51% last year, and expected to rise. So Shell will continue to have an increasing overspill problem.

British Petroleum, with a dividend barely more than covered, will find itself with only about a 30% effective UK corporate tax rate to offset against a foreign rate even higher than Shell's.

Yet to concede relief by extending offset privileges to the shareholder's income tax liability would, in the view of the Revenue, open the door to a return to the pre-1965 tax system, with all its anomalies, complexities, and administrative problems. The Revenue's preference for the two-rate system, over imputation, rests on the belief that a law which deems income tax to be an instalment of corporation tax will be too easily bent by some Government into a new version of the pre-1965 tax system.

The two-rate system has two snags, however—despite its virtual identity with the imputation system (in the form proposed). One is minor, but not insignificant: many firms would like to be able to make projections of their corporation tax independently of future boardroom decisions about dividend payout. The two-rate system precludes this. The more important one though (and the main reason why the Germans are dropping it) is the difficulty about double-tax agreements with the US.

The present Anglo-US withholding tax, on distributions from subsidiaries (in either direction) is 15%. With a two-rate system incorporating schedule F tax at 30%, equity would require imposing withholding tax on foreign-owned firms at 30%, too. But then the Americans would raise their withholding tax on British-owned subsidiaries to 30%. The cost of this, to Britain, is estimated at £30 million to £60 million a year.

With an imputation system, corporation tax would be 50% in Britain (at least, that is the figure canvassed) regardless of who owns the firm. The 30% imputation would take the form of a concession to British shareholders. We would be quite happy to continue levying 15% withholding tax on the Americans, as well as taking 50% corporation tax from them.

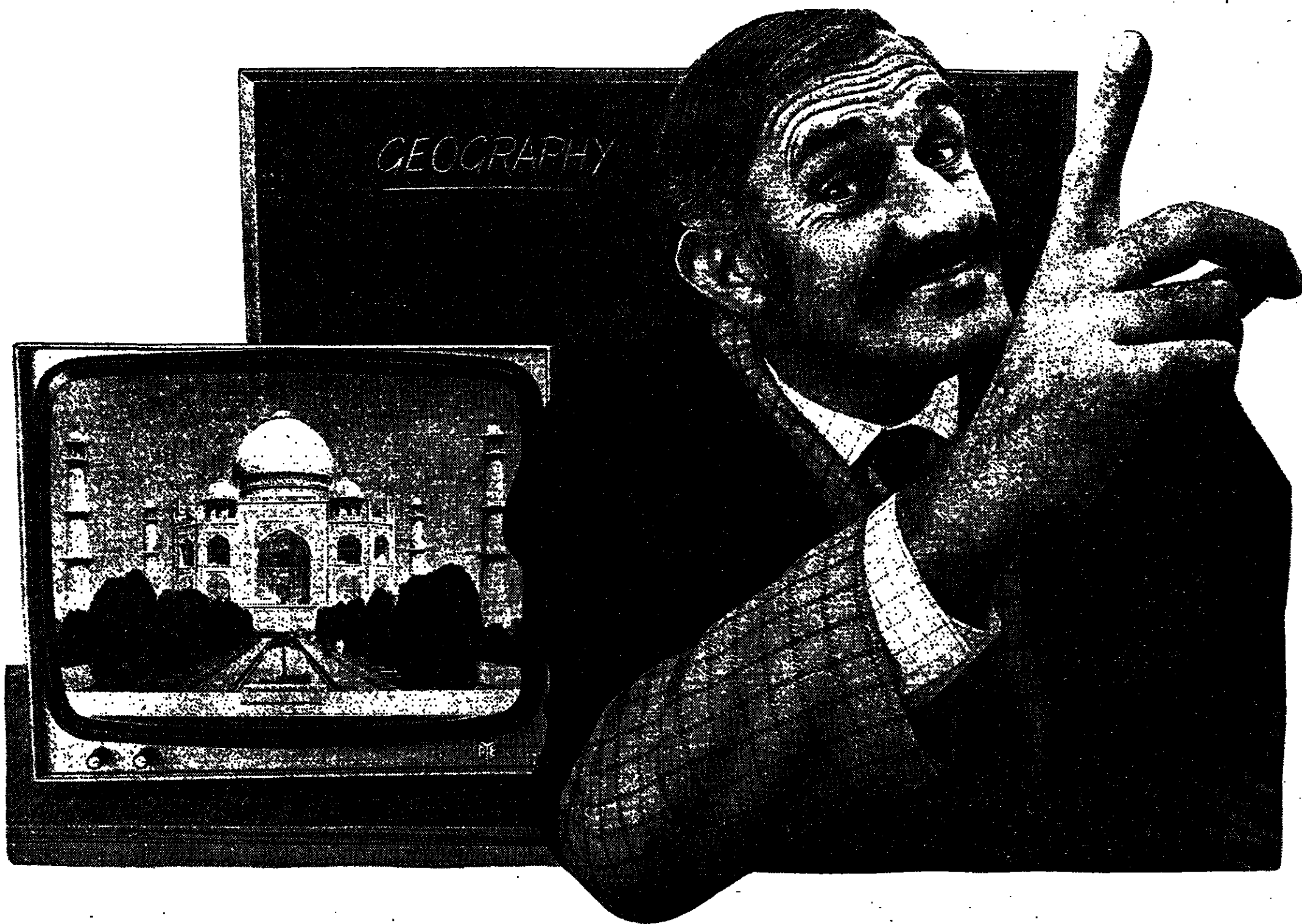
In other words, the committee, and the others who support the imputation system on this ground, see it (to put the matter crudely) as a way of increasing UK tax on US subsidiaries without their noticing, or objecting overmuch. After the events of the past three months, who, on sober reflection, would now feel sure that the Americans would not object? Very forcibly?

### Boardrooms not affected by taxes

I find it hard to feel great enthusiasm for either version of the Government's proposed reform. Even the basic concept of making corporate tax "neutral" as between distributed and undistributed profit is phoney, for it assumes that shareholders are standard rate taxpayers. In the case of tax-relieved institutions, the proposals would bias the system in favour of distribution.

In fact, the evidence indicates that boardroom decisions on profit distribution are not very sensitive to the incidence of tax. When the discriminatory taxation of dividends of the 1950s was abolished, dividends rose (relative to pre-tax profits) by about the amount of tax relieved. Since 1965, there has been negligible real change in distribution. Neither the German nor the French measures of the early 1960s, both of which were meant to encourage domestic capital markets through higher dividend distribution, are considered by German and French financial officials to have worked.

Perhaps Tony Barber and Patrick Jenkin ought to leave the corporate tax system as it is (now that business has learned to understand and operate it), at least until it becomes clearer what Common Market membership entails in this area. They have plenty else to do in fiscal reform, by 1973.



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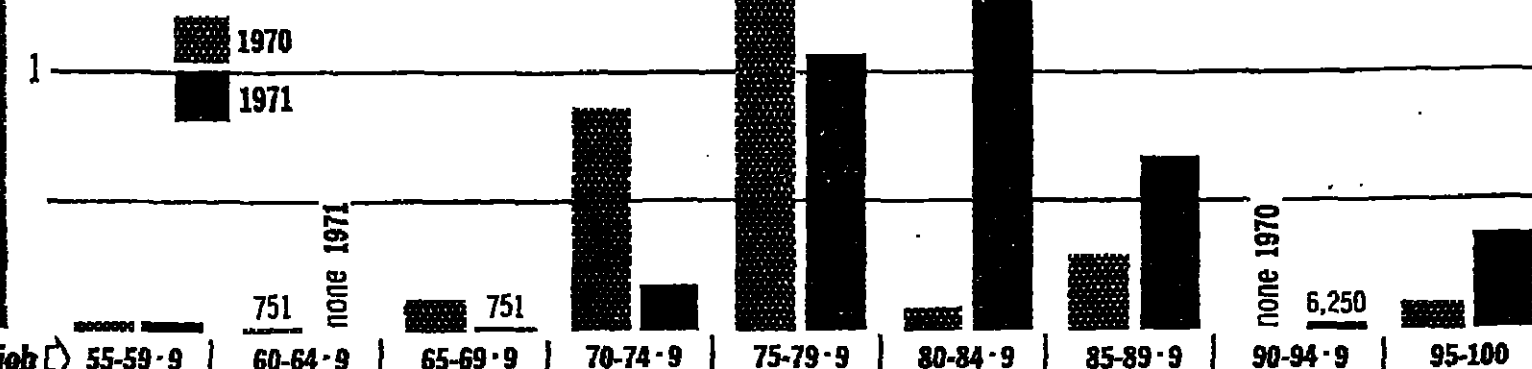


Graphics by Rex Clifford



millions—women in industry

## Women move slowly —up the scale



Women's earnings as % of male rate for the same job

# EQUAL PAY Industrial apartheid as firms evade the Act

BY VINCENT HANNA

WITH FOUR YEARS to go before the Equal Pay Act comes into operation, Britain's 8.1 million women workers have already discovered that the new Deal, promised so enthusiastically by Barbara Castle last year, has nasty rings attached. Last week William Hamilton, Labour MP for East Fife, won one of the 16 places in the ballot for "Vote Members' Bills." He announced his chosen topic: the reform of the Equal Pay Act. By any standards it will be a big job. In many cases the new Deal can simply amount to industrial apartheid.

The figures for basic rates tell a different—and misleading—story. In terms of simple minimum pay women have made progress since 1969. So far these are the numbers trotted out regularly by employers to show that a woman's lot is no longer unenviable. But it is not as simple as that. The wages in our chart are minimum rates and under the Act they have to be equalised by 1975. Further up the scale a series of smart manoeuvres by employers have made sure that, in real money terms, women workers are, in many cases, even worse off than they were a year ago. A recent survey carried out by the Coventry Engineering Employers' Association shows that while men have increased their

percentage share of male rates over the past three years, the difference in their take home pay has widened by as much as £10 a week. The big catch occurs when women and men are pushed into different jobs. There is then no basis for comparison between them, so the women become separate but not equal. They then quickly find out that "Equal pay for the same work" is not the same thing as "equal pay for work of equal value."

Discrimination does not end there; on issues like pensions and sick pay schemes women lag far behind in industry, assuming (and it's a big if) that they even get the opportunity for job advancement in a male-dominated society.

At a seminar on equal pay in Harrogate last month, a personnel manager from Hawker Siddeley put it this way: "I'm an Englishman, and I think that most people like me, would never work for a woman or a black." Against a background of such prejudice, even effective legislation would be inadequate.

But the Equal Pay Act was never adequate; it evolved as a compromise between workers and bosses, and was the last legislative flourish by Barbara Castle as Secretary of the Department of Employment before the 1970 General Election. The compromise arose out

## Where they stand on fringe benefits

% of employees  
covered by Pension  
and Sick Pay  
schemes

PENSIONS			SICK PAY		
MEN	Manual	WOMEN	MEN	Manual	WOMEN
45-3		11-9	62-9		48-8
Non-manual			Non-manual		
73-2		38-6	91-6		82-3
Average all employees			Average all employees		
54-4		26-4	72-1		67-0

of a violent argument by both sides of industry about the meaning of the words "equal pay."

Most trade unions favoured the term "equal pay for work of equal value," the definition adopted by the International Labour Organisation in Convention 100, issued in 1951 and ratified by most European countries. Britain ratified this convention last year but already it seems clear that the new British Code departs radically from the spirit, if not the letter of the convention.

Barbara Castle's Bill drove a hair-splitting path between the various definitions of equality. The formula which applies in Britain is that:

● Where men and women are engaged on "like or broadly similar work," the terms and conditions of the women cannot be less favourable.

● Where women's wages and conditions are governed by a collective agreement or wages council order, the terms of the women cannot be less favourable than those of the men.

● "Like work" is defined as either (a) the same job as the man, or (b) a job which has been rated as equivalent to a man's by an independent job evaluation exercise.

Now it is all very simple, where women and men do the same job, or where there are long established grading structures which enable any worker to know where he stands on the ladder of progress. Between 1954 and 1961 equal pay was implemented in the Civil Service and nationalised industries with relative ease, at a cost varying from 1½% of the total wages bill in the electricity industry (where there are few women) to 8% in teaching (with 65% women). It was these figures that caused the last Government to optimistically forecast the overall cost of the Act at 5% on the national wages bill.

The Equal Pay Act places women at the mercy of job evaluation exercises. Unless her employer introduces one she has no basis for complaint. A high proportion of Britain's 8.1 million working women are engaged in tasks that are described as "women only" work, thus having nobody to compare with, and will derive no comfort from the Act. And, "there will," said Mrs Castle in February last year, "be no obligation on employers to carry out job evaluation."

Since the Act was passed an increasing number of companies have devised ways around their legal obligations to their female employees. In every case the fiddles openly practised in British industry are the results of loopholes in the Act, seven of these avoid any techniques stand out, as very common, and as prejudicing the whole principle of equality:

### Separate but not equal

Make sure that men and women do different jobs. Drop into your local department store and note how few men work as shop assistants. Any you do find are, more likely than not, described in the company books as "management trainees" in case comparison of their wages with women's becomes odious.

The night time is the right time. The Act permits employers to pay more for work performed under special circumstances, as long as men and women doing the special work get paid the same. This theoretical equality is in reality a gaping loophole. For instance women are legally not allowed on night work. The shrewd employer then offers a far higher rate for night work, or "dirty" work or "heavy" work. Any woman who wants it can have it. But few turn up. Extra shift bonuses act as a loophole in much the same way.

### Over the odds for overtime.

Women traditionally do not work overtime, for the same reasons as they avoid night and shift work. There will be a rich bonus for the employer who jacks up his overtime premiums as well as his shift supplements and service payments.

### Age before equality.

Service payments are another common fiddle. There are 6.1 million working mothers in Britain and every one of them has stopped and started work. Large extra payments or special bonuses for long service with the firm, especially unbroken service, inevitably means that men will earn more than women for the same job.

### Regrading horror

The Act forbids collective agreements to specify that rates are women's or men's, as of December, 1975. There is a simple way around this, and is already being used extensively. You simply group women and call them "grade six." Grade your male workers into five higher grades and pay them accordingly. You will not be breaking the law.

### The basic-rate fiddle

There is a more sophisticated version of this fiddle for companies with consciences. The trick is to raise the woman's basic rate up to the existing men's rate so that equal pay is temporarily achieved. You then re-grade all jobs giving special premiums for "dirty," "heavy" or "strenuous" work and your effective men's base rate comes out higher.

### Evaluate for fun and profit

Job evaluation offers the best scope for evasion. It has the advantage of being commended by the Act and seeming "scientific" to innocent female labour. In fact job evaluation is far from scientific; it is merely systematic. You take a number of characteristics and award them a points value, but what score you give to each is entirely up to you. The technique is to concentrate women in the lower grades, and explain it away on the basis of "lack of skill" or "no training." You can also explain it on grounds of "lack of strength" (which scores high) and ignore virtues like dexterity (which you score low). The only real protection the worker has against this form of crookery is a militant and vigilant union. But unions tend to protect the interests of their most active members, the craft conscious men.

## What it will cost

company	no. of women	estimated cost
Pilkington	3,200	£200,000 p.a.
Hoover (Perivale)	344	£52,000 p.a.
Ranco Motors	292	£25,000*
Rolls-Royce (Derby)	1,344	£69,143 p.a.
(Brewery)	184	£40,000*
(Public Sector)	514	£40,000 p.a.
Cussons	1,200	£200,000 p.a.
* total cost		

Even better is a new and sophisticated dodge which seeks to create a "unisex" grading structure with the lowest rung of the ladder at a point below the previous minimum male rate. Take an example of a company which currently pays £17 for men and £14 for women. The company could re-evaluate all the jobs and put the new minimum "unisex" grade at say £15 a week. With skilful manipulation of the grading structure as shown above, the company ends up with the bulk of its women on £15; and that is a saving of £2 a week on the costs of true equal pay under the Act.

But fiddles and evasions apart, we can show the progress, or lack of it, towards equal pay since the Act was passed in two ways; first, by setting the latest statistics on women's pay rates in the UK in the table above, and second a look at 44 of Britain's top companies.

The exclusive survey was carried out with the assistance of Yvonne Frost, of Industrial Relations Review and Report, the leading magazine in this area. Forty-four firms answered a detailed questionnaire on equal pay policy and were selected from British industry as follows. Eight from food, drink and tobacco; nine from insurance and banking; three from chemicals; 14 from engineering; two from paper; four from the public sector, and four miscellaneous firms.

The returns show a startling laxity towards the Equal Pay Act, even from companies with a sophisticated record in collective bargaining. Of the firms 32% have as yet made no provision for the introduction of equal pay; 61% had some scheme in view and eight companies had introduced equal pay already. These companies were drawn largely from insurance and banking where equal pay has been a feature of employment for several years. But even the optimistic picture in insurance must be balanced against the fact that eight of the nine companies surveyed in this sector admitted that a large group of women were employed in "female only" occupations (mostly clerical). Five of the companies conceded that there were jobs in their firm which were barred to women.

In the overall survey, the results were even more pessimistic. We found that a large number of companies (17) wished to postpone the implementation of the Act until the last legal minute (1975). Among these were Quaker Oats, BSR, Courage, and London Life Assurance. Our results tend to show that the average British company has either introduced a scheme by now, or intends to delay as long as possible. Only eight firms had plans to bring in a scheme before 1975.

On the vexed question of job evaluation there were wide inconsistencies in the answers. Thirty-three of the companies (75%) had already carried out some job evaluation, but 17 (39%) stated that they did not intend to evaluate again before implementing equal pay.

A massive 91% admitted that there were "women only" jobs in their company, the vast bulk being in clerical and unskilled areas. But there were some interesting individual cases. We found that in the food industry many of the packing jobs are women-only. Kraft and Farleys both use women packers for part of their operation, so does the British Sugar Corporation. BSR used women

to do cleaning, some machine operation and some inspection.

On top of that 73% of the companies surveyed freely admitted that they had some jobs from which women were barred. The same sort of response was found when we asked about job opportunity. Were all training courses open to women? Fifty-two per cent of our firms said no, revealing that craft apprenticeships, top supervisory courses and non-clerical work tended to be closed to females.

A great deal of the initial hesitation over the introduction of equal pay has been excused not by basic male chauvinism, but by the cost of the operation. Significantly many of the firms with equal pay already in operation are those which employ a small

proportion of women. We asked the 44 companies in our sample to estimate the cost of bringing in the scheme; 88% had prepared a detailed analysis of the project. Below are some of the results: in only one case (Cussons) would the cost have an appreciable effect on the firm's profits.

Whatever the effect of the Equal Pay Act on the wage packets of Britain's working women, when it comes to fringe benefits they come a very bad second. Paula Lanning, a leading authority on equal pay, found that over 50% of female manual workers are still not covered by sick pay schemes. Even more alarming is the fact that only a quarter of female workers are covered by occupational pension schemes. It is an integral

part of British industry's refusal to accept women in "career" terms as opposed to doing a job for a temporary period. Our company survey showed that although most firms have private pension schemes, less than half gave the same benefits to men and women. The most common difference occurred where women entered the scheme late and retired early, but in several cases we found companies prepared to differentiate dramatically between men and women in the money they paid out. One company gave women £2.80 for each year of service, but £10.00 to men.

Most of the corporate stunts we have listed could have been forestalled by a more carefully drafted Act, but employers could never get away with many of their schemes if they did not have the tacit co-operation of trade unions at local level. The truth is that equal pay is as unpopular on the male-dominated shop floor as it is in the male-dominated boardroom.

William Hamilton's Bill has little hope of success, but it could provide an airing for many of the grievances now felt by women in industry who see Mrs Castle's new dawn proving a false one. It may even help Employment Minister Robert Carr (who believes strongly in equal pay) to decide what to do with the Act next year. He has power to order the intermediate implementation of equal pay at a fixed percentage at the end of 1973. Such a decision would help many low-paid women; but the problem needs more radical thought.

**NEXT WEEK:**  
the guilty unions

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# Prufrock

## LUKAUT!!

AREHOLDA I MUS LUKAUT—it deserves to be carved in one as the most truncheon motto of the year. In Pidgin, it means "look out!" or "be careful!" It is not yet perfect Pidgin, but it is a very good one. The words of warning I found prominently displayed in a very recent book, "The Language of the South Sea Islands," which was published by the University of Cambridge Press. It is a book about the language of the South Sea Islands, and it is a very good one. It is a book about the language of the South Sea Islands, and it is a very good one. It is a book about the language of the South Sea Islands, and it is a very good one.

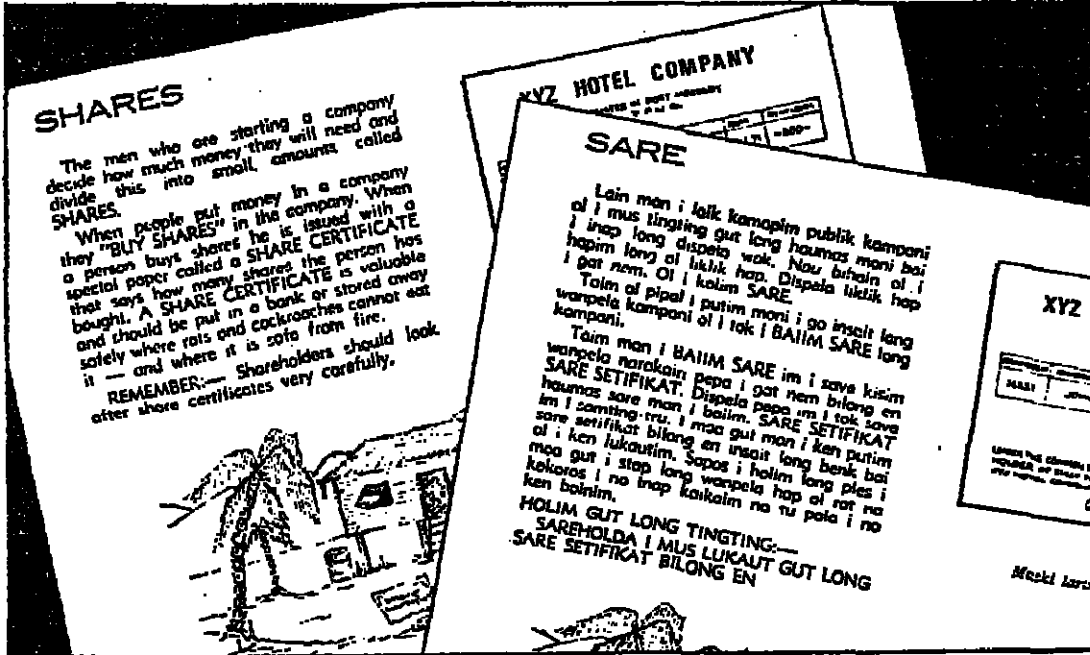
Finally, even in the romantic South Seas, it seems, the price of the shares "i ken go anap na go daon." The structure of a language in which, say, every preposition can be translated as "long" has a simplicity which my daughter, now wrestling with second-year Latin, can only envy. But it is being formally taught, out of textbooks, to all the mine managers, so that they will be able to cope face to face with vital executive decisions. Problems like "Dispela man em i wok gut?" (Does this man work well?) Or more alarmingly, "Dispela man em i slip long dispela wok?" (Has he been sleeping on the job?).

Tensions flare up into open violence no later than the London Two. With "Husut i paitim yu?" (Who has been fighting you?) And was it "long akis na long naip?" (With an axe or a knife?) Sounds like trouble from the man whose share price has gone "daon" instead of "anap" to me.

Keith Richardson

AND NOW, for the man who has everything and breaks it, the South African Protea Insurance company has introduced the Connoisseur Policy for "the discerning householder." Costing a minimum of around £115 it will appeal to you as a critical judge of matters of taste because it is tailored to protect all your prized possessions. Apart from covering the usual things plus inflation and South African specialties like deterioration of frozen foods, the Connoisseur Policy includes a new revolutionary UNFORE-SEEN RISKS EXTENSION. And in case your mind wanders as to what this might mean the company offers a few examples: including: Damage to Persian Carpets by domestic animals; Damage caused by overflowing fish tanks; Clothing damaged by cigarette burns; protruding nails, etc.; Damage to household articles caused by domestic servants.

Is there no end to the torments of the rich?



Investment advice to the tribesmen of the Solomon Islands. The City Column comes Pidgin style

## Psst! Wanna buy a person?

DICK SUMMERFELDT trades in people—\$13 million worth each year. "We like to call this the people business," he says cheerily. "We export them and we import them. We send bulldozer drivers to Nigeria and engineers to Germany and mining people to South Africa. They're mostly British—British and Canadian. And Australian, of course—they're the real gipsies of the world, they'll go anywhere. We've started renting doctors and nurses."

"We'd even place journalists," he told Michael Pye. "And we sometimes rent out the people we employ to find the people to rent out. It's one hell of a business."

The base is Canada, the name is MTS International Services, one of the world's largest people firms, expecting to deal in \$100 million worth by 1975. It finds staff, pays them and rents them out to firms like General Motors and Ford. MTS came to Britain with money, a suitcase and a man called Paul Schleck, now vice-president of MTS. The money went into a bank, the bank suggested a headquarters and MTS was in business here. At that time, BAC wanted skilled workers; Schleck jumped fast,

chatted up the personnel people at BAC and got the job of providing workers. The catch was, MTS didn't have a single worker on file. A week of newspaper ads and scrambling for contacts finally produced what BAC wanted.

Summerfeldt is a bulky man, Canadian and big, a dedicated powerboat racer in whatever spare time he gets from masterminding MTS.

The dedication is formidable—racing cost him a leg a few years back, but he still flies down to the US to take out the boats. "There's no problem—the crew go on ahead, and I fly in at the last minute." He's racing soon at Lake Tahoe, where the exiled London Bridge now stands. And it is almost the only relaxation in a business which means, he says, the 72-hour week. That business stretches from shifting temp secretaries across a town, to helping staff secret Government projects in Canada and the US to finding presidents for US companies—10 companies are waiting for him to come up with their chief executive at the moment.

The greatest nomads are the people in the construction business—and the men who design motor cars. "I really don't think

that's the reason cars all look alike—although the preliminary design people do go from project to project," Summerfeldt says. "The catch is, the firms give all the staff work to the contract people—they don't want their own staff making the mistakes."

Companies get a little haughty if Summerfeldt manages to poach their key personnel; he operates a mutual back-scratching system, promising not to steal from firms who use his services. And the security problem with skilled people waiting from secret project to secret project can be formidable. "You get men coming in who have been working on top-secret projects for 15 years, and you ask them what they're doing and they just can't tell you. Every question, it's the same, 'I'm sorry, but I can't tell you.' Eventually, we just send them along to the companies who want them. They usually get the job."

OVERHEARD on a British Rail Pullman from Hull to London: Diner: "Waiter, what is the beef like this evening?" Waiter: "Very good indeed sir. We had it for lunch."

## Red threat to washday blues

YOU CAN'T miss Backbarrow in the Lake District. As the seasons paint everywhere else in Lakeland with the greens of spring and summer and the golds of autumn, the village of Backbarrow remains gloriously and steadfastly blue all year round... trees, grass, road, houses, everything is blue, Dayglo blue at that.

There's even a blue-flecked stream driving the water wheel of an old mill, a mill which is the source of all that's blue in Backbarrow. It makes ultramarine, and is the only firm in the country still turning out the original Monday washday blues—those little, cloth-covered blocks of blue which were in every wash-tub 50 years ago. Robin Blue and Dolly Blue are brand names which should ring sentimental bells with all grandmothers.

Until the coming of the Persil Age, no self-respecting washwoman could do without them. But new soap powders, detergents, biological washing powders, washing machines and the laundrette round the corner resulted in less and less blue being dipped in the washday water.

But, despite the revolution in the nation's washday habits, blue still comes out of the Backbarrow kilns, 2,000 tons of it each year. Over 90% of it is exported and you could fairly say that West Africa's washday starts right in Backbarrow, halfway between Newby Bridge and Ulverston. For in Nigeria, Ghana, Gambia and Sierra Leone, the ladies of the land absolutely depend on it for a whiter than white finish. Incidentally, West Africa prefers blue powder to the block.

The firm which makes the stuff, Reckitt's Colours, part of the Reckitt's and Colman group, still finds there are enough of the older generation in Britain using blue to keep annual home sales running at more than £100,000. One of the last remaining pockets of blues users is in South Wales, and you can still buy the little blocks for 3p. You can also get it in liquid form, to add to the blue stage in automatic washers. But not before, because blue and detergents are incompatible.

Reckitt's themselves are pretty sentimental about blue since it started them off in business. The

firm began in Hull, in 1850, as importers of ultramarine—and look where they are now: the Reckitt's and Colman group has a turnover of over £173 million and profits of over £19 million.

The man the firm should really thank is a Monsieur Guimet of Toulouse. Up to 1838, the only stable blue was lapis lazuli, a rare mineral found in quantity only in Afghanistan, and very precious it was. Eventually a prize was offered in France (thought to be 20,000 very old francs) to anyone who could invent an efficient substitute. M. Guimet came up with ultramarine.

The formula he invented is still used in Backbarrow today. You mix china clay, sulphur and soda ash in equal quantities, add a dash of silica and pitch, shove the putty coloured mud into a kiln and turn the heat on.

Just before and after the First World War thousands of tons of blue were sold in Britain each year. There were four thriving companies then: Reckitt's, Lancashire Ultramarine also at Backbarrow; Rawlings and Son in Rainhill, Lancashire; and the British Ultramarine Manufacturing Company in London, known affectionately in the trade as Bumco.

Rawlings and Son turned out to be German owned and was given to Reckitt's as war reparations since the Kaiser had mauled one of Reckitt's factories on the Continent. Lancashire Ultramarine sold out to Reckitt's in the 1920s, and Bumco burned down and never started up again.

Actually the blue business is highly competitive. Other countries, including Iron Curtain nations, are doing their best to horn in on the market. The Reds offer their blues at a very keen price, but true blue Britons assert that it is absurdly low in quality.

The citizens of Backbarrow, by the way, don't complain much about the unceasing blue panorama of their surroundings. Reckitt's employ 150 locals for a start, and in any case they have never known any different.

Philip Clarke

FOR THE RICH ENJOYMENT OF THE FINEST HAVANA CIGAR



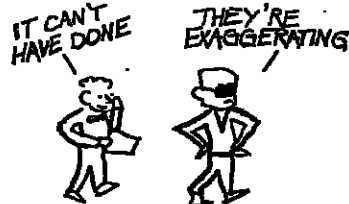
**PUNCH**  
HAVANA

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# SENSATIONAL RESEARCH REVELATION!

**Usage of Yellow Pages has more than doubled—in less than a year!**



Since last December, references to Yellow Pages have more than doubled—from 5.4 million per week\* to 12.5 million per week\*\*.

**THESE ARE THE HARD FACTS** 16 million telephone subscribers now make a total of 8.4 million references a week. This represents an average of two references per subscriber per month. 75% of all references are followed up by contact with the supplier of goods or services\*. Non-subscribers make 4.1 million references to Yellow Pages each week\*\*.

**And here are some more facts about the people who use Yellow Pages**

45% of telephone subscribers are regular users of Yellow Pages\*\*. 54% of subscribers under 34 are regular users of Yellow Pages\*\*. 20% of non-subscribers under 34 are regular users\*\*.

(Note: 'Regular' usage is defined as 'once a month or more'.)

**WHICH ALL MEANS—YELLOW PAGES ARE MORE THAN EVER A VITAL PART OF YOUR MEDIA PLANNING!**

\*Source: Marplan, February 1971  
\*\*Source: NOP Market Research Ltd, October 1971

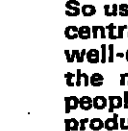
SOUNDS CONVINCING



YES, BUT ARE THEY THE RIGHT PEOPLE?



MAYBE THEY'RE RIGHT



Practically all telephone subscribers are in the ABC, C2 socio-economic groups. 87% of all ABCs and 61% of C2s own a telephone. So usage of Yellow Pages is concentrated among the young, the well-educated, the people with the most spending power—the people at whom you aim your products or services.

WE'D BETTER INVESTIGATE FURTHER



WHO DO WE CONTACT?



**Yellow Pages Your immediate link with sales** For full details ring your nearest Yellow Pages Sales Office.

## Property investment makes money. Abbey National Property Growth Bonds make money with added safety.

Over the years, the value of commercial property has risen even more than that of houses. Yet only the professional could benefit. But not so today. Abbey National Property Growth Bonds make successful property investment easy for anyone. Here's how it works.

The bonds are a unique split investment.

Approximately half your money's invested in commercial property. The other half in the Abbey National Building Society. So you get capital appreciation from rising property values and rents plus all the security of a building society investment.

Your money's handled by property experts.

Property Growth Assurance buy and manage the commercial properties in which your money is invested. Their board of directors have had years of experience in the property market.

And that's why your Abbey National Property Growth Bonds give you sound capital appreciation.

9% growth rate over the last year. This is even better than expected. You see, a growth rate of 64% was predicted by Abbey National Property Growth Bonds. Instead it was 9%. Of course, future

growth rates can't be guaranteed. But it's reasonable to expect that this year's will be substantial.

You get tax benefits. Your capital appreciation from the Bonds is free of income tax and capital gains tax in your hands. And most suretax payers get special benefits too.

You get life assurance cover. Every Abbey National Property Growth Bond has built-in life assurance protection.

Cut out this coupon for a free booklet

We'll tell you how Abbey National Property Growth Bonds make a perfect additional long term investment.

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Address \_\_\_\_\_

Tel. \_\_\_\_\_

Property Growth Assurance Company Ltd.,

Dept. PB1/ST/2

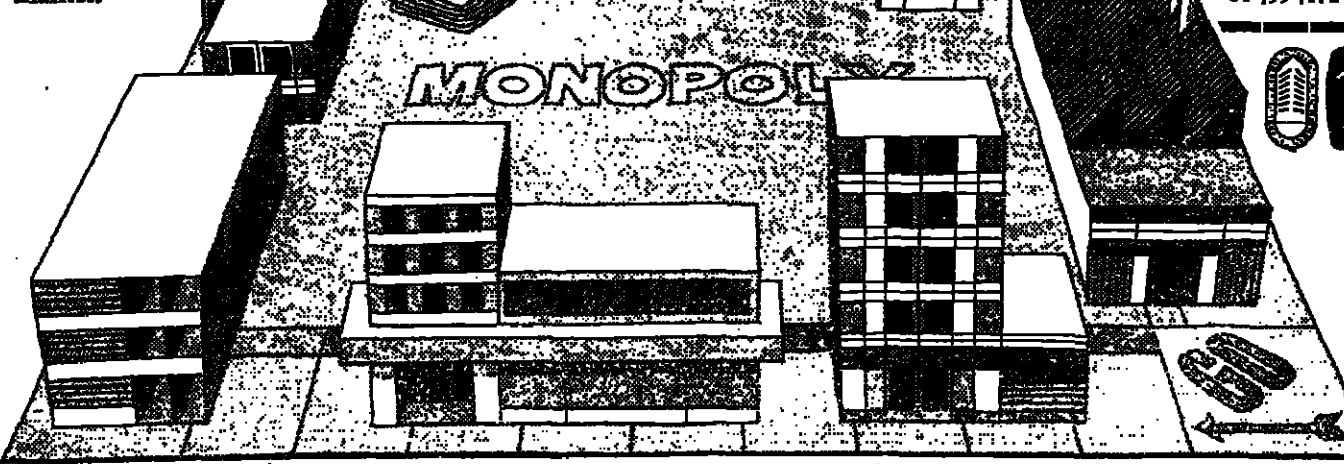
Edward House,

73 Brook St.,

London

W1Y 2JB

Telephone: 01-499 4171



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Method of learning languages. Specially when it works out at only 115p per lesson.

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**Berlitz** Central Registration Office for all London Schools: 321 Oxford St., W1A 3BZ. Tel: 01-486 1931. Croydon: Leon House, High St. Tel: 01-686 2862. Birmingham: The Rotunda, New St. Tel: 021-643



# WHO'S FOR SUN AND GAME...



## with RCM in Zambia

Summer's lease is longer in Zambia—seven whole months of uninterrupted sunshine. Around you are the sights and wonders of old Africa... while in the towns you will find the familiar features of modern, urban life. Roan Consolidated Mines Limited offers ambitious, adventurous, qualified people well-paid opportunities to enjoy a different kind of life—and a higher standard of living—in Zambia. In partnership with the Zambian Government we operate four mines on the Copperbelt, with a production capacity of 300,000 tons of copper a year. That means we have a continuing demand not only for mining, metallurgical, engineering and geological experts, but also for doctors, nurses, accountants, computer staff and technicians of all kinds.

You? We advertise specific vacancies as they arise so keep a look-out for the job that fits you. Then, if you are interested we will send you our booklet that tells you what it's like to work for RCM in Zambia, including such important details as your low-rent house, the special allowances (including children's education) and the contract terms which include a cash gratuity at the end.

Overseas Appointments Division,  
RST International Metals Limited,  
One Noble Street,  
London, EC2V 7DA.



Photo: Zambia National Tourist Bureau

## Property Development Manager

• THIS is a key appointment for a top executive at the centre of a pre-eminent British retail group of high repute.

• THE role is to formulate plans to modernise its retail representation and to assume responsibility for the execution of such plans and for the control of property interests to a value of the order of £100M.

• EXPERIENCE in property dealing and development coupled with a significant record of high level managerial achievement attributable to business acumen, enterprise and administrative ability are the prime requirements.

• TERMS—to match the man and his record—are for discussion. The man required is likely to be now earning around £7,000. Preferred age 35 to 45.

Write in complete confidence to  
Sir Peter Youens as adviser to the group.

JOHN TYZACK & PARTNERS  
LIMITED  
10 HALLAM STREET • LONDON W1N 6DJ

## MARKETING EXECUTIVE

The International Wool Secretariat wishes to appoint a Marketing Executive to promote wool menswear with manufacturers and retailers in the South of England. Applicants for this position, which reports to the Menswear Product Manager, should preferably have several years' experience in the Men's Outerwear trade and/or industry.

A competitive salary will be offered to the successful candidate and a company car will be provided. Additionally IWS operates a progressive policy for pensions, insurance and other benefits.

Applicants giving full details of present and past employment, qualifications and education should be sent immediately to:



H.Q. Administration Department,  
International Wool Secretariat,  
Wool House, 6/7 Carlton Gardens,  
LONDON, S.W.1.

# STRESS

How switched on managers avoid ulcer

ARE YOU FRUSTRATED? Does your stomach hurt without apparent reason? Do you snap at your wife and children? Is your boss less than understanding? Do you get a sinking feeling when he wants to see you immediately? Are those your problems?

If so, welcome to the great fraternity of ambitious men under pressure. You are not alone for this is the era of FACT—frustration, anxiety, conflict and tension. It is a time when growing importance is attached to results, to measured performance on the job, to the attainment of predetermined objectives. And when those targets are set, each is always more difficult to hit than the one before. This year's new product development must be better than last year's; productivity must increase; sales volume must be greater; profits must be higher; quality control must improve and the reject rate must fall. Always onwards and upwards.

The computer, for example, makes it possible to obtain an instant reading on performance. Every advance, every decline, is right there in black and white and the manager can learn at once whether he is winning or losing—or worry about whether he is.

In a society battered and bounded by the pressures of modern living, work-related stress is a growing problem. The Office of Health Economics estimates that among the over-45s one working day in 10 is lost through certified sickness. The medical director of a leading car manufacturer told an Industrial Society conference that psychological, rather than physical, problems caused more than half of absenteeism. And when the International Committee on Occupational Mental Health (of the World Federation for Mental Health) met in Britain this year, there was a consensus that major causes of stress in industry included mergers, take-overs, rationalisation, advancing technology and the threat of redundancy. Simply put, change or the threat of change which upsets an employee's aims or work patterns puts his mental health at risk.

But men at the top are not in jeopardy. Dr Alan C. Gibson, a consultant psychiatrist, told this year's Royal Society of Health conference. It was unusual for senior executives to seek psychiatric help. The kind of businessmen treated by psychiatrists were junior executives afraid of losing their identity in a big organisation and middle



THOMAS  
HICKMAN

managers who feared that promotion had for ever passed them by.

Two things are repeatedly cited as causing executive stress: a man's inability to come to terms with the knowledge that he has reached his ceiling; aspirations in excess of talent. Thus, self-improvement must keep pace with ambitions if dangerous frustrations are to be averted.

As Dr Victor Howard puts it: "When we are already good—that is, competitive, growing and profitable—getting better becomes more and more difficult. And so the pressure mounts." Howard is managing director in London of Rohrer, Hibler and Replig International, a leading firm of behavioural consultants.

FRUSTRATION, he says, frequently creates the primitive reaction of aggression, but civilised people have been inhibited from childhood from acting aggressively and often that aggression is turned inwards. "Our moods, depressions, occasional black feelings of inferiority and self-doubt are the result. Handling frustration is largely a matter of identifying and anticipating obstacles. Anticipated obstacles have far less power to frustrate us than those which take us unaware."

ANXIETY, says Howard, gets its steam from what is often called fear in the absence of danger. It might be fear of inadequacy, fear of failure, fear of authority, of decision, of loss of status, or of what others think.

CONFLICT was a prevalent reaction to job pressure. Common causes were the incompatible demands of two bosses, the need for individuality against the demands for organisation conformity, the risk of challenge against the need for security; the desire for more salary and status against the need to reduce pressures and responsibilities; personal standards and values against those of the company; the demands of home and family against those of business.

TENSION, Dr Howard is convinced, is a manager's constant companion. "And stress reaction include increased seepage of acid in our stomachs, giving us indigestion if not ulcers. Blood around blood vessels in stomach and intestines contract, sending blood pressure up and possibly causing psychosomatic skin conditions. Adrenalin dribbling into the circulation increases blood sugar level, giving more energy but taxing ability to relax and recuperate."

What can you do about those mounting job pressures? Here are eight tips Dr Howard gave to pass on:

1. Know your strengths and limitations and accept yourself as you are.

2. Get problems out in the open. Hiding a problem or hiding from it breeds greater anxieties.

3. Don't lean on others for praise. Self-worth and self-respect need no excuse or justification from outside.

4. Stay active. Keep variety in your life and work. Physical activity is almost a necessity in draining off nervous tension.

5. Focus on today. The dilemma of life is that we can live only one day at a time, but we can pile up years of worries.

6. Do it now. Commit yourself to some actions or some decisions and tensions will be at least partially dissipated.

7. Don't be too defensive. Defending yourself against criticism can be expensive indulgence.

8. Keep a list of priorities. When things seem confused, find somewhere quiet and sort out which are the important things. Establish your priorities, and commit yourself to action on those.

Dr Howard urges that you try to put feelings in proper perspective, so friends will tell you: "You're not tense. Baby, you're just turned on."

## Group Marketing Planning Manager

West Midlands

Rubery, Owen Holdings Ltd. is the holding company controlling a number of broadly based engineering subsidiaries with a multi-million turnover. The Marketing Planning Manager will be responsible to the Group Marketing Director for the periodic review of the Group's marketing activities and for advising the Managing Directors of subsidiary companies on the means of improving marketing effectiveness. The successful candidate will be aged 30 to 45, possess a university degree and probably a secondary qualification (M.I.M. or D.M.S.) and will have had his basic training with a major company.

Experience in personal selling, product responsibility for two years and marketing management responsibility for a turnover of over £5 million are essential. Experience in the motor or engineering industry would be an advantage as would experience as a management consultant. It is unlikely that anyone earning less than £4,000 p.a. will be suitable for this post, and the salary is negotiable for the right man. A car and usual fringe benefits apply. Please write to us stating current salary and how you meet our client's requirements, quoting reference GM/3179/SST on both envelope and letter. No information will be disclosed to our client without permission.

Urwick, Orr & Partners Limited

Personnel Selection Division  
2 Ganton St. London SW1H 0GE

## TIME SHARING SALESMEN

If you have established a good track record as a time sharing salesman, IDH want to hear from you. Already you will know that the IDH Time Sharing Service is hitting your own product with its cost-effectiveness and ease of use. You cannot know—yet—just how much tougher we are going to make it. If you wish to join IDH, the only full-service time shared computing company (Time Sharing, SCAN, Stock Management Service, Bureau, software production, consultancy and turnkey services) write to Martin Evans and persuade him that he should see you. And do it now.

INTERNATIONAL DATA HIGHWAYS LIMITED.  
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AN ipc COMPANY

## Sheerness Steel Co. Ltd.

This is a new British Company opening a modern steelmaking and rolling installation with a projected capacity of 400,000 tons per annum. The plant is now being built on the Isle of Sheppey in Kent.

The following appointments are vacant immediately:

### METALLURGICAL MANAGER about £4,000 + car

This post involves responsibility for Quality Control throughout the plant as well as management of finishing processes, product stocks and distribution. Candidates should be graduate metallurgists or equivalent and have experience of quality control in the steel industry. An aptitude for management is essential.

### MECHANICAL DESIGN ENGINEER about £3,250

Responsible to the Chief Engineer for the inception, design, installation and commissioning of new plant and equipment. Candidates should be graduates with at least five years experience of plant design in heavy industry, preferably steel-making. The work will be concerned with plant layout, machine design, materials handling and hydraulics, including responsibility for the design drawing office.

### ELECTRICAL ENGINEER about £3,250

Also responsible to the Chief Engineer. Candidates should be graduates with at least five years experience of power distribution systems in heavy industry including adjustable speed drives and feedback control systems. The Electrical Engineer will design and specify new equipment and be fully responsible for projects through commissioning.

### MECHANICAL MAINTENANCE SUPERINTENDENT about £4,000 + car

This post offers an excellent opportunity for an experienced maintenance manager to establish a plantwide service for routine and emergency maintenance. Candidates should preferably have a degree in mechanical engineering and experience of steelmaking; they may be in production or maintenance management at the moment. Please send brief details of age, experience and qualifications to:

Miss D. Chatton,  
Sheerness Steel Co. Limited,  
Sheerness, Isle of Sheppey, Kent.

## EXPORT SALES MANAGER

Woods of Colchester Limited is the largest fan manufacturer in Europe. We have the lion's share of the home market and we export over 40% of our production. Future growth at the pace we want it will come from overseas sales. We are looking for an Export Sales Manager. He must be thoroughly experienced in both sales and marketing of engineering products overseas. If he knows the heating and ventilating world so much the better. He will probably be aged mid-30s. He will certainly have an enviable track record in

motivating a sales team, winning orders, and in contributing positively to the growth of a business. Knowledge of one or more European languages would be an advantage.

We offer a starting salary in line with the level of responsibilities, and excellent career prospects in a very successful company. A contributory pension scheme is operated. Assistance with costs of moving home may be given. Please send details of career to date to B. H. Sherrod, Woods of Colchester Limited, Tynwell Way, Colchester CO4 5AR.

## WOODS

### Senior Market Researcher

Needed in India to run large Calcutta unit of Indian Market Research Bureau. The J. Walter Thompson Company's market research division. The successful applicant will be around 28 to 35 years old and be currently holding a fairly senior position in market, media, or social research. He will preferably have experience in a wide variety of consumer and industrial research projects. The Company will provide generous salary and car, travel and removal expenses to India, and medical benefits. The job would ideally suit an Indian national with the above experience wishing to return home.

Apply in writing to: Bryan A. Bates Esq.,  
British Market Research Bureau Ltd.,  
Saunders House,  
53 The Mall,  
Ealing, London W5 3TE.



## Thinking about a new career?

If you have concern for people why not train for the probation and after-care service.

Probation officers have a responsible job, demanding but fulfilling. It calls for the exercise of a high degree of individual responsibility: a sympathy and understanding for individuals; and the insight and resourcefulness to cope with social casualties of many kinds. You may already have had these qualities, or you may have acquired them through experience of dealing with people. If you think you have them, you could be the person we are looking for. Training before and after entry to the probation and after-care service helps the new officer to develop his skills and confidence in dealing with difficult problems of human relationships. Trained probation officers are needed in most parts of England and Wales.

Applications are invited from men and women aged 23 or over for courses of theoretical and practical training starting as follows:

2-year courses based on Bristol, Ipswich, Leeds, Leicester, Liverpool and Plymouth. 1-year courses for mature students (minimum age 27) based on Birmingham, London, Manchester, Newcastle-upon-Tyne and Southampton (other courses are available for graduates). Candidates should have qualifications at the ordinary level of the General Certificate of Education or its equivalent. Candidates aged 27 and over will be expected also to have experience of social work or in work affording a sound background for it. Applicants over the age of 40 should have substantial relevant experience.

PAY. Students taking a professional course of training for probation work are treated as trainee employees of the probation and after-care service and paid a salary ranging from £384 at age 23 to £1,344 at age 30 or over. Starting salary as a probation officer ranges between £1,491 and £1,598 depending upon qualifications and experience. Annual increases follow up to £2,076, (£2,150 from 1st April 1972). London officers get an additional £80 a year. The salary scales of Senior Probation Officers rise to £2,618. New scales for higher grades have yet to be determined but at present range up to £4,200 according to the probation area (£4,950 in Inner London).

WRITE FOR OUR BOOKLET, preferably on a postcard, to the Probation and After-Care Department (P14), Home Office, Room 448, Romney House, Marsham St., SW1 or get in touch with your local Principal Probation Officer (address in telephone directory).

## A new Opportunity in Marketing

Our client, a company with the dominant share of an expanding U.K. market, requires a young, experienced man for their Head Office in N.W. England.

In return for an attractive salary, he will be responsible for evaluating a wide range of sales promotional and market research ideas and procedures. He must have the experience to devise techniques for testing these procedures and quantifying the results.

Aged between 25 and 35, the man they seek must be literate as well as numerate; with considerable experience in a research organisation or agency behind him.

If you are interested in this important post in N.W. England, please write now for further details, stating your age, qualifications, experience and present salary to:

A. R. Ward  
Whites Recruitment Ltd.  
(Incorporated Practitioners  
in Advertising)  
72/78 Fleet Street,  
London EC4Y 1JS

Stating any organisation to whom you do not wish your application forwarded.

## Representative

South London

Are you over 25, keen, determined—able to show a good sales record and looking for a career selling Drawing Office Equipment and Sensitised Materials to Industry? Then come and join a well-known "get-up-and-go" company, marketing a wide span of products to Drawing Offices, Print Rooms and Commercial establishments using dyeline systems, where a good salary plus commission, a company car and fringe benefits await you.

Write NOW to: Mr D. Westcott,  
Personnel Manager,

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Cowdrey  
Avenue,  
Colchester,  
Essex.





General Appointments

Sales and Marketing Appointments

General Appointments

# you know you should be growing faster...

Given the opportunity, you can achieve: your ability is high; you have a good education, preferably a degree or 'A' levels; you are probably aged 22-26; so why aren't you growing?

As an International Company, famous for names like Kleenex and Delsey, and with a U.K. turnover of £20 million p.a., we can offer you the opportunity to grow. Our success and confidence in the future means we need to increase the size of our Sales force.

Join us now and you could be an Area Sales Manager in 1973 - from there you could progress to other management positions, at home or abroad, in Sales or other disciplines.

We will train you well; you will be given development assignments as you progress;

when we appoint a Manager, we know he will be effective.

Salary will be attractive to you at the start and will grow with your progress. A company car, with full private use, is supplied; a pension scheme is in operation; the opportunity to earn more is provided by incentive schemes which reward performance.

Our standards are high; if you think you can meet these please phone, reversing charges, on Monday 22nd between 9 a.m. and 6 p.m.

D. Grebbly Prudhoe 2041 (Nr. Newcastle upon Tyne)

R. Shaw Worcester 28004

C. Oatley 01-848 0841 or write, with brief details, to: T.A.I. Lancaster.

Sales Training Manager, Kimberly-Clark Ltd., Larkfield Nr. Maidstone, Kent.



**Kimberly-Clark Limited**

Leaders in disposable paper products.

## Marketing and Marketing Research

The Pharmaceutical Division of Fisons Limited offers challenging prospects for men with the ability to play a major part in the future of an international organisation which continues

### International Marketing Co-Ordinator

**Ethical Pharmaceuticals**  
The successful applicant for this senior appointment will direct and control ethical pharmaceutical marketing activities in the Scandinavian territory, prime importance being attached to the improvement of profitability. This will involve controlling a small team in the U.K. office and five Product Managers in Scandinavia. Prime responsibilities include the preparation and implementation of marketing plans and budgets, market evaluation, improvement of distribution facilities

to grow rapidly. The increasing demand at home and overseas for our ethical and proprietary pharmaceutical products has led to the following appointments:

within the territory, and co-ordinating the activities of overseas subsidiaries, distributors and associates. Although Loughborough based, he will be expected to travel to his territory as and when required. Aged between 30 and 40, applicants must have previous experience in the international marketing of pharmaceuticals in sophisticated markets. The ability to negotiate with overseas distributors at top level and a successful record of man management are essential. Fluency in a major European language would be an advantage. Job Ref. 479R.

### Brand Manager

**Consumer Products (UK)**  
To be responsible for maximising profitability of a comprehensive range of new and established proprietary medicines, many of which are brand leaders. Aged between 25 and 35, applicants should have gained sound

experience in all aspects of Brand Management in fast-moving consumer products - preferably proprietary medicines. Additional advantages would be a degree, experience of new product launches and market research. Job Ref. 442R.

### Marketing Research Executive

**Ethical Pharmaceuticals**  
To be responsible for the supervision of a variety of major research projects following them through from inception to the final presentation to management. It is anticipated that this will involve overseas travel amounting to at least one month per year. Applicants should be graduates aged

25 or over who have gained at least two years practical marketing research experience with either an agency or a manufacturing company - preferably in the pharmaceutical field. Personality, initiative and originality are essential, and knowledge of one or more European languages would be an asset. Job Ref. 431A.

Salaries for all vacancies will fully reflect the responsibilities involved. As a Member of the Fisons Group we offer a first-class pension scheme, assistance with removal expenses and other benefits which come from being part of a large, internationally renowned British Group. Applications, quoting the appropriate

Job Reference, should be addressed to: K. H. Jones, Personnel Officer, Fisons Limited, Pharmaceutical Division, 12 Derby Road, Loughborough, Leicestershire.



## GET INTO LINE

No offence. Just our way of pointing out that it pays to think small when you're hunting for a job. In other words, take a line in the appointments page columns of The Sunday Times. We'll cost you only £1.40 a line and for that you will be able to get your name in front of 21 million readers, aged 15-44, on a day when people have got the time and need to think seriously about their jobs. In a paper which already carries twice as many appointments as any other national daily or Sunday paper, one of our Lineage Appointment Advertisers on 01-237 3232 book your advertisement now. Source NRS June, 1969-July, 70.

## A DOUBLE OPPORTUNITY FOR PROFESSIONAL SALESMEN £3,000-£5,000

Two of our clients, two of the most successful companies in the world, are seeking Salesmen (aged 25/35) in the London/Home Counties/Midlands areas. In both cases first class Product and Sales Training is provided and initially earnings are guaranteed at the rate of £1,800/£3,300 according to previous experience and earnings. After the initial period basic salary and commission should place your earnings in excess of the guaranteed rate, and could be in the £5,000 + range. Not less than 2 years' selling experience is desirable, gained in a hard-sell commercial environment. For early interview ring or write with brief details of your personal history: SALES SEARCH, 53 Victoria St., S.W.1. Tel. 01-222 2023



An MSL Consultant has analysed each appointment

Please write or telephone as indicated in each advertisement. MSL 17 Stratton Street London W1X 6DB: 01-629 1544 (at any time). Your enquiry will be in confidence.

### Chief Executive Paper and Pulp Exports

£8000 at least

A British-based European group with an enviable record of growth and achievement (£600m. turnover) in the world paper industry seeks a Chief Executive for its export operations. This embraces buying paper of every description in some ten world markets and exporting it to almost all the world. The man appointed will take full charge of a sophisticated organisation, personally sell and negotiate at highest level, and serve as a member of the executive committee. Extensive travel is essential. Candidates, between 40 and 50, must know the paper and export trade intimately particularly outside the UK, and at present hold an appointment at or near the top. Fluent German and English essential. Spanish desirable. Starting salary negotiable, with minimum of £8,000; car; other appropriate benefits and re-location assistance to UK for non-British candidates. Please write stating how each requirement is met to S. W. J. Simpson reference SA.38049.

### Management Accountant

Arabian Gulf

This is a new post in the European staff complement of Yusuf bin Ahmed Kano, trading in the Arabian Gulf, with an associated company in Saudi Arabia, whose joint activities cover travel, freight, tanker, insurance agency work, as well as being manufacturers' agents. The company and its associate company employ around 1,000 personnel, administered by an executive staff of thirty Europeans. Annual turnover is around £20m. The man appointed will be accountable to the Group Chief Accountant and his responsibilities will include the conduct of audit procedures throughout the group of companies and he will build up an internal audit department for this purpose. He will also be required to carry out special investigations and assist in the implementation of new procedures. Candidates must be professionally qualified accountants with experience of audit work, preferably under 30 years of age. The basic salary is £12,000 x 100 to £13,800 per annum and in addition there are generous family, education and car allowances with free furnished accommodation. Free medical treatment and generous Provident Fund. The sterling worth inclusive of all allowances and accommodation could exceed £16,000 p.a. There is at present no income tax or purchase tax payable in the area. Please write stating how each requirement is met to P. H. L. Thomas reference SA.11723.

### Financial Controller

about £4250

for the British company, established last year, of an international group which designs, owns and leases equipment to a wide range of industrial customers for the movement of freight. Plans for the development and expansion of the business over the next five years envisage an investment in the eight-figure range. In this new appointment the Financial Controller will be responsible to the Managing Director for the overall management of accounting and control techniques, including discounted cash flow, cost studies and cash management. Aged between 30 and 45, candidates will preferably be chartered accountants and must have senior experience of similar responsibilities in industry or commerce and familiarity with equipment hiring. Please write stating how each requirement is met to P. Hook reference SA.26107.

### Sales Manager—Direct Selling Beauty Products

The UK subsidiary of a £400-million international consumer and pharmaceutical organisation has recently established this new section of its beauty fashion business as a result of market tests and surveys. Marketing toiletries, hair fashion products, and cosmetics through parties and direct selling, the company is currently consolidating its initial sales launch in southern England before developing a national sales organisation. Based in the Home Counties, with accountability for field sales control, the sales manager will report to the marketing manager and will lead the development from a regional to a national activity. Aged, preferably over 30, he will already have some 3 years' experience of controlling a regional or national direct selling team, preferably within the beauty fashion field. Salary will be negotiable around £4,000. Car; bonus scheme; pension; re-location help. Please write or telephone for further information. G. E. Howard reference SA.2804.

### Financial Controller Director Designate

above £3500  
West Midlands

A chartered accountant, aged around 30, who has had 3 or more years' accounting management experience in the fast-moving consumer goods field is sought for this new appointment. The company, recently rehoused in new premises in a pleasant part of the West Midlands, has a growing share of an increasingly important sector of the retail fashion trade. Annual sales are approaching seven figures. Responsibility will be to the Chief Executive for all accounting and secretarial functions and for contributing to general management decisions as a member of the small directorate. An early task will be to develop more sophisticated financial and control accounting systems to support the growth and diversification of the business. Appointment to the board can be earned within 6 months. Conditions include profit linked bonus; car; non-contributory pension; and re-location help. Please write briefly stating how each requirement is met to W. A. Griffiths reference SA.23203.

### Marketing Executive National Accounts

Food Industry  
London

To join the UK management team of a major Irish marketing company whose branded products are internationally known and whose sales in the UK already exceed several £m. This appointment carries full responsibility for the promotion of the company's products through national accounts outlets, which represent some 40% of total sales in the UK. Prime tasks include the negotiation, programming and monitoring of promotional campaigns at both national and regional level, liaison with distributing agents and co-ordinating his efforts with those of the organisation's area sales and merchandising force. Candidates must have a record of successful sales promotion and merchandising through multiple accounts in a company marketing fast-moving consumer goods. A knowledge of the main national retailers in the grocery field would be particularly relevant. Preferred age 30 to 40. Starting salary negotiable in the region of £3,000 with contributory pension scheme, company car and expenses. Please write stating how each requirement is met to H. T. Niall reference SA.80387.



Management Consultants  
in Human Resources

□ LONDON □ BIRMINGHAM  
□ GLASGOW □ MANCHESTER

### Joint Managing Director Finance and Administration London

£7000

Our clients, a British group with extensive overseas interests and turnover approaching eight figures, have been pre-eminent for over a century in the business of communication and learning. The appointment follows organisational change and marks a phase of further planned expansion. He will have a two-fold responsibility: to the group Chief Executive for financial control and planning including information systems and future refinancing and, as Joint Managing Director, to the Board of the UK services company for activities ranging from property negotiation to computer-based product distribution. Candidates, preferably in their mid-thirties, should be chartered accountants. They may have spent a period in merchant banking or consultancy or have had business school or similar advanced training. By now they will have reached senior management level in commerce or industry with a voice in policy as well as top functional responsibilities. Salary is negotiable and benefits fully commensurate. Please write stating how each requirement is met to D. A. Ravenscroft reference SA.25134.

### Management Accountant about £6000 Zambian Copperbelt

For Roan Consolidated Mines Ltd. to complete a team of experienced accountants now overhauling the total reporting structure of this major international copper producer. There are five mines with a combined potential of 300,000 tonnes finished copper p.a. A capital investment programme announced last month will commit some £4.5m. to improving the productive capacity substantially over the next few years. The management accountant will have a staff of 64, one third of them expatriate, and an operating budget of £0.25m. His key tasks will be to ensure the efficient operation of existing systems, to assist in devising improved reporting systems and handle the transition to them. A four-year renewable contract is offered and there are first-class benefits including ranch style house, education allowances, family medical cover, 49 days' paid leave per year and a lump sum gratuity on termination. Candidates, aged 35 to 45, must have cost and works qualifications and at least seven years' experience of management accounting in a relevant organisation including innovative work using a third generation computer. Please write or telephone for further information. J. C. Day reference SA.2796.

### Chief Executive Business Association London

£5000 plus

The Association represents famous London commercial interests whose total turnover exceeds £63m. A full-time chief executive officer is required to manage the Association's affairs, within the policy framework laid down, in times of changing circumstances. This is a new appointment. The man appointed will deal at top-level with Government departments, the GLC, trades unions, public authorities and other trade associations, and also supervise the Association's financial administration and its members. Candidates, between 35 and 50 years, will have a record of successful achievement in general management in industry or commerce; within the trade union movement; in public life, service or administration; or similar fields. They will have experience of negotiating with public authorities, of bargaining with trade unions and be capable of making a case for the Association whether publicly or to a Minister in private. Please write stating how each requirement is met to Dr. B. A. Davies reference SA.40018.

### Marketing & Sales Manager Industrial Components N. Midlands

about £4000

for a manufacturing subsidiary of a £400-million international group. It manufactures selling products and associated components for petrochemical and industrial applications; and, in a growth situation, it plans to double its seven-figure turnover in the next five years. He will be responsible to the General Manager for planned marketing of the products in the UK, Europe and other territories, leading and controlling a 15-strong team in home and export selling and technical development. The group's size and enlightened management policies should ensure career progression. Candidates must have experience of industrial (home and export) sales and marketing management. Ideally they will be mechanical or chemical engineers in their late thirties, who have gained their experience in a manufacturing company marketing components to the oil or petrochemical industries. Company car, pension, re-location assistance. Please write stating how each requirement is met to P. Saunders reference SA.37181.

### Assistant Director Research Association London

London

Established in 1920 the British Launderers' Research Association has some 900 member organisations throughout the UK. In addition to providing a comprehensive technical service the Association is playing a major role in accelerating the acceptance of mechanisation in this traditionally labour-intensive industry. Reporting to the Director of Research, responsibility will be for the day-to-day administration of the Association through an established team. The Assistant Director will have a particular role in ensuring the effective use of resources; he will also be expected to involve himself in the development and promotion of the Association's work. Candidates, aged 35 to 45, should ideally be graduates in chemical engineering or engineering through qualifications in chemistry, physics or textiles would be considered. They must have had experience of co-ordinating and leading applied R & D for industrial application. Experience of modern management methods is desirable. Salary negotiable around £4,000; pension. Please write stating how each requirement is met to R. Tomkins reference SA.24129.

## REGIONAL MANAGERS

### Chrysler Wholesale Limited

The setting up of a new company in the Motor Vehicle Wholesale and Retail Markets has created exceptional opportunities for 5 Regional Managers to work in the U.K.

Responsibilities will include:

- ★ The acquisition of new dealer and fleet hire business
- ★ Credit recommendations based on sound credit analysis
- ★ Maintenance of wholesale facilities
- ★ Implementation of sales programmes to ensure maximum market penetration.

Applicants should have at least 5 years field experience of finance markets with a minimum of 2 years at managerial level and be fully conversant with dealer/hirer financial statements.

Applicants should write giving full details of age and experience to: J. Garaghty, Senior Recruitment & Placement Officer, Chrysler Wholesale Limited, Elizabethan House, Great Queen Street, London WC2 8DP.

**CHRYSLER  
WHOLESALE LIMITED**

**BARTLETT'S PUBLICITY**

## Sales Manager

A MAJOR INTERNATIONAL COMPANY entering the KITCHEN FURNITURE market seeks a Sales Manager to lead the SALES effort in this field.

Wide experience and proven ability to sell this equipment on the British Market are the essential requirements for this post.

An attractive salary is offered together with the use of a company car.

Applications giving full details of career and present salary should be addressed, quoting ref. SM to:

T. M. Niman,  
BARTLETT'S PUBLICITY SERVICE LTD.,  
35 Red Lion Square, London, WC1R 4SP.

Letters will be passed UNOPENED to our client and dealt with in the strictest confidence. All applications will be acknowledged. Successful candidates will be invited to interview. Applications should be sent to the Security Manager.

## PERSONNEL MANAGER

We are one of Britain's leading Groups specialising in the development of industrial and commercial premises in the United Kingdom and Overseas.

The Group operates a comprehensive property development service, including design, management and professional staff covering the complete spectrum of property development, including management, design, sales, finance and construction.

The successful candidate will have complete responsibility for the personnel function of all operating Companies within the Group, including management and recruiting and will be directly responsible to the main Board. He must have the ability to advise and assist on all senior appointments and the understanding and appreciation of all personnel problems from hourly paid employees up to senior executives. The successful applicant should have had experience in a similar capacity in a large commercial organisation preferably in some allied field, e.g. building construction, and would preferably be qualified (IPM).

This is an important appointment and the successful candidate will play a major role in the Company's future success and expansion. A generous salary will be negotiated according to ability and experience and it is unlikely that he will currently be earning less than £3,500 p.a. The usual fringe benefits will be provided, including a non-contributory Pension Scheme, life assurance, etc.

Applications, which will be treated in the strictest confidence, should be made to:

The Managing Director, Lyon Group Ltd.,  
Lyon Tower, Colliers Wood,  
London, S.W.19.

**Lyon**

## Senior Field Sales Executive

### £3000+

An internationally successful British Company plans a completely new appointment of a Senior Sales Executive to take field responsibility for the activities of its sales force in the southern half of England.

The Company has a remarkable achievement record and positive plans for growth through the operation of a large, well-trained and highly professional sales organisation. The man to be appointed will therefore need to have a very successful personal selling and field management history in a predominantly industrial ambience. Sufficient depth of experience would be unlikely in a man under thirty years of age or not currently in active field management.

Thorough orientation training will be provided in the Company's products and policies, sales and management methods. Income will be by salary and overriding commission. A car, expenses, superannuation and other appropriate benefits will be supplied.

The post is seen as an important one with wide opportunities for future career improvement in a diverse Group.

A clear, simple statement of your personal circumstances, education, experience and present situation will ensure consideration for early interview in the London area.

Write in the first instance to:

Donk Upper Ref. SPS/ST  
Whites Recruitment Ltd.,  
(Incorporated Practitioners  
in Advertising)  
72 Fleet Street,  
London EC4Y 1JS

**Whites**

Should there be a company to whom you do not wish your application to be forwarded, please advise by covering letter.

## TRAVEL INDUSTRY! SALES!

You will be taking on the Travel Industry working from the headquarters of a group of first-class hotels.

You are applying because you are well educated and personable. You have a past record of sales success (not necessarily in the travel trade). You look forward to working hard with an enthusiastic and go-ahead marketing division.

A straight salary of at least £2,100 will appeal (especially with our fringe benefits) and you could well be under 30.

Telephone Bob Corbett, Travel Industry Sales Manager, between 5-6 p.m. in the next few days (01-387 1880) or next Saturday afternoon (070 November) between 9-11 a.m. at Olympia 2838 to explain why we should get to know you better. Reverse charge calls accepted.

**BRITISH TRANSPORT HOTELS LTD.**  
St. Pancras Chambers, London, N.W.1.

## GROUP FINANCIAL ACCOUNTANT

Pegler-Hattersley Limited, a substantial industrial group with international interests, have a vacancy for a Group Financial Accountant at Head Office, Doncaster. Initially responsibilities will include preparation of group consolidated accounts, reports to senior management, and group cash management.

The requirement is for a qualified accountant with experience of financial accounting in large organisations gained directly or with a professional firm. Experience of consolidations, taxation and cash management would be an advantage.

Starting salary would be by negotiation and dependent upon experience. Please write giving personal history to the Group Financial Director, Pegler-Hattersley Limited, St. Catherine's Avenue, Doncaster.

## ENERGY CONVERSION LIMITED

The Company manufacture Metal Air Batteries and wish to appoint a

## SALES EXECUTIVE

conversant with battery powered equipment. Age: 35-45. Please apply in confidence to:

Director & General Manager,  
Energy Conversion Limited,  
Priestley Road,  
Basingstoke, Hants.



**CJ RECRUITMENT ADVERTISING LIMITED**  
35 NEW BROAD STREET, LONDON, E.C.2 TEL 01-588 3588

**CJRA ROWE AND PITMAN**  
require a  
**FIXED INTEREST SPECIALIST**

This vacancy is open to candidates aged 27-35 with a minimum of two years' experience in the fixed interest field most likely gained within either an Insurance Company, Merchant Bank or Stockbrokers. The successful candidate will join a small fixed interest team, well backed by statistical services, and be expected to help build up the firm's existing business in fixed interest securities. Accordingly, he will require the capacity for original thought and mathematical competence with which to generate creative ideas and the ability to communicate effectively with institutional clients. Scope exists for considerably increased responsibility. An attractive initial salary is negotiable. Contributory pension scheme, assistance with removal expenses if necessary.

PLEASE ADDRESS REPLY IN STRICT CONFIDENCE TO D. A. INNES, ESQ., ROWE AND PITMAN, WOOLGATE HOUSE, COLEMAN STREET, LONDON, E.C.2 TEL 01-606 1066 or TO THE MANAGING DIRECTOR, CAMPBELL-JOHNSTON (RECRUITMENT ADVERTISING) LTD., 35 NEW BROAD STREET, LONDON, E.C.2 TEL 01-588 3588.

**COMMERCIAL LAWYER**  
LONDON c. £5,000

A Leading International Construction Company wants a man to be responsible for advising on company and contractual matters.

He will work closely with the Marketing Department in drafting contracts for large scale construction projects and advising on the legal and commercial aspects of financial negotiations.

He will act as an internal consultant for wider legal matters including employment conditions.

Ideally he will be aged about 40, a Barrister or Solicitor who has had experience of contractual matters and financial negotiations with either a leading oil chemical operating company, a major contractor or industrial property developer.

REWARD: High negotiable salary with good fringe benefits.

Apply in confidence. Ref. ST109/243.

**Hales & Hindmarsh Associates Ltd.**  
Century House, 30/31 Jewry Street, Winchester, Hants.  
Telephone Winchester 66699

**Marketing Manager c. £4,000**

A small London-based company—member of a £35m. turnover Group—requires a Marketing Manager, who will be responsible to the Managing Director for the entire Sales and Marketing function. The company manufactures sophisticated dispensing devices which are used by a wide variety of industries both in the Home and Export markets. Growth prospects have been established and the success of the new appointment will be assessed on:

- profitable achievement of sales forecasts
- identification of new market and product opportunities
- expansion in exports particularly in the North American and EEC markets

administration, training and motivation of the sales force. The successful candidate is unlikely to be under 35 and will have a proven record of success in personal creative selling and overall marketing planning. This is not a job for a "big company" man and success will depend on the candidate's own personal involvement as much as on his direction of others. A car will be provided along with other fringe benefits.

Please write to us stating current salary and how you meet our Client's requirements, quoting reference MM/3185/ST on both envelope and letter. No information will be disclosed to our Client without permission.

**Urwick, Orr & Partners Limited** Personnel Selection Division  
2 Caxton St. London SW1H 0QE

**EAL GENERAL MANAGER HOTEL GROUP £6000**

Major Northern brewery Company is expanding its already significant ownership of hotels and restaurants. Hitherto organised on a regional basis they now seek a General Manager to co-ordinate the entire operation throughout Scotland and the North of England. Salary negotiable around £6000. Company car, pension scheme and good fringe benefits.

Candidates will have had a proven and successful career in the hotel and/or catering industries. They will be leaders with good organisational abilities, and be highly profit conscious. This is a new and important appointment and success will be well rewarded. Age is not a major consideration. (SV.590)

Please write briefly and in confidence to the Managing Director, Executive Appointments Limited, 78 Wigmore Street, London W1, quoting appropriate reference. No identities divulged without permission.

**EAL SALES MANAGER £5000**

Major group manufacturing capital equipment for the engineering industry requires a Branch Manager to control its field sales operation in the South East of England. He will be responsible for the sales force and for the sales office. He will take a personal interest in key accounts.

Candidates will have an engineering background preferably in the production function, and successful experience in sales management with capital equipment. Age probably 35-45. Salary is negotiable around £5000 plus car and bonus. The position is pensionable and progressive, and offers good career prospects. (TH.681)

Please write briefly and in confidence to the Managing Director, Executive Appointments Limited, 78 Wigmore Street, London W1, quoting appropriate reference. No identities divulged without permission.

**PERCY COUTTS & COMPANY**  
THE JOB FINDING ORGANISATION  
EST. 1908

140 Grand Buildings, Trafalgar Square, W.C.2.

If you are applying for any situation advertised today you should send for information about our services together with your free copy of

"INTERVIEWS AND HOW TO WIN THEM"

NAME (CAPS).....  
ADDRESS.....

**EXECUTIVES**  
Seeking Positions with Companies in Europe, U.K., U.S. and Worldwide

Over 400 outposts with leading corporations, operating in Europe, the U.K., the U.S. and worldwide currently listed.

This is your opportunity to profit from our close personal contacts with management in industry and commerce, carefully developed over 25 years of professional operation. We do not guarantee a new position, but we do have the experience, resources and facilities to give you the most effective assistance in securing a new and more rewarding career.

We are especially effective for the executive seeking a senior position with the international affiliate of a U.S. corporation, here or abroad. To explore what NBS can do for you, please write enclosing C.V., stating home and business phone numbers. We will arrange a confidential interview.

Our 25th Year  
**NATIONAL EXECUTIVE SEARCH**  
An Affiliate of NESINC  
17 offices worldwide... reasonable fee schedule.

**BANK HOUSE No. 1**  
Belvedere Grove, Wimbledon, S.W.19 ENGLAND

**AT ANY AGE**  
From the time you are advised by the V.G.A. you know your full potentialities for any kind of appointment. You also know the kind of work you must at all costs avoid.

From that time on you go forward with confidence, assured that you are working towards the right goal. The work you do is the most important factor of your life and remember—you need vocational guidance only once in a lifetime.

Write for full information to The Secretary,  
**VOCATIONAL GUIDANCE ASSOCIATION**  
Upper Harley St, London NW1  
Tel: 01-935 2600/8017

**PUBLISHING**  
We need a graduate with business acumen, not more than 25 years old or thereabouts. He will prepare a series of reports that will lead us to constructive management planning of our next computer hardware plan for 1978. He must have the facility of exploring the creative use of computers in a manner that is persuasive to us.

This job is a marvelous way for someone who is interested by publishing to gain experience. He will be at an early stage of his career, and will gain good money for the right person.

(In fact we found just such a man a few months ago; who joined our team, passed and also because he saw that his talents were going to be matched by the opportunity to succeed. It all happened in a matter of a few days. He did both his new job and this one at the same time.)

Applicants with details, to the Managing Director, Macmillan London Ltd., 4 Little Essex Street, London W.C.2. (Marked for Mr. Bryan Shaw.)

**Production Director**

for the board of a British company pre-eminent in the metallurgical extraction and refining of non-ferrous metals and in the manufacture of specialised chemicals.

- THE role is to direct the present experienced management team in the control of all production operations in two factories employing about 1,500 people, including many graduates. The main tasks are to improve processes and productivity and to introduce new methods and products using the company's expertise to increase growth and profitability.
- THE requirement is for a metallurgist, chemist or chemical engineer with powers of leadership proven in general and works management in fields similar to that in which the company is engaged and with a well developed commercial comprehension.
- SALARY negotiable about £6,000.

Write in complete confidence to  
Dr. W. M. Dixon as adviser to the company.  
**JOHN TYZACK & PARTNERS LIMITED**  
10 HALLAM STREET - LONDON W1N 6DJ

**Merchandise Controllers**

A progressive and independent department store requires two Merchandise Controllers to maximise the profitability and saleability of the Fashion Floor and Ground Floor areas. Reporting to the Marketing Executive, they will be involved with developing and implementing store trading policy in the selected merchandise classifications and be responsible for measuring subsequent sales performance and collation and interpretation of control data.

The successful applicants will ideally be chain store trained, under 35 and have had at least three years' experience in a selling or merchandising position and be able to offer a sound knowledge of merchandising systems. Salary is negotiable and is coupled to a pension scheme, staff discount and the usual holidays. Written applications giving brief details of qualifications, experience, salary progression and expectation should be addressed to Personnel Controller:

**MURRAYS (HIGH WYCOMBE) LTD.**  
White Hart Street, High Wycombe, BUCKS. High Wycombe 28262.

**DEVELOPMENT DIRECTOR**

Lyon Group Limited is one of Britain's leading Companies specialising in the field of Industrial and Commercial Property Development in the United Kingdom and Overseas.

A Development Director will be appointed who will be completely responsible for the control of a section of the Company's development programme, which section could involve development worth from £10m to £50m.

The successful applicant will have had considerable experience in this field and will be a mature and personable businessman, capable of the firm yet tactful administration of a large professional staff associated with every stage of the development programme. Moreover, he will be capable of negotiating and generating new business at the highest level and progressing his development programme to a successful conclusion. A qualification in the field of surveying or building construction would be desirable but not essential.

The initial appointment will be as Senior Development Executive and, subject to satisfactory performance, promotion to the Board will follow shortly.

For this senior and responsible position a generous salary is offered commensurate with experience and ability—together with a Company car and usual fringe benefits, including non-contributory Pension Scheme and life assurance. The appointment will be based in London or Manchester and all applications, which will be treated in the strictest confidence, should be made to:

The Managing Director,  
**LYON GROUP LTD.**  
Lyon Tower,  
Colliers Wood, London, S.W.19.

**Lyon**

**SERVICES CONSULTANTS**  
require  
**CHIEF RESIDENT ENGINEER**  
for the BARBICAN ARTS CENTRE

The task of the Chief Resident Engineer will be to control a small team of Resident Engineers, supervising the installation and commissioning of all services within the new multi-million pound Arts Centre to be constructed in the City of London.

Applicants should be well experienced in a wide range of services in buildings including air-conditioning. He should have preferably held a similar senior position.

Write in confidence stating age, experience and salary required to—  
REF. CR,  
G. H. BUCKLE & PARTNERS,  
2 HARRINGTON GARDENS, LONDON, S.W.7.

**INTERNATIONAL COMMODITY DEALERS**

have opportunities for bright, energetic young men to join their Marketing Department dealing in agricultural products on a world-wide scale.

Experience not essential for the right man with ambition.

Please write to Box BA416.

**PRODUCTION DIRECTOR**

for the board of a British company pre-eminent in the metallurgical extraction and refining of non-ferrous metals and in the manufacture of specialised chemicals.

- THE role is to direct the present experienced management team in the control of all production operations in two factories employing about 1,500 people, including many graduates. The main tasks are to improve processes and productivity and to introduce new methods and products using the company's expertise to increase growth and profitability.
- THE requirement is for a metallurgist, chemist or chemical engineer with powers of leadership proven in general and works management in fields similar to that in which the company is engaged and with a well developed commercial comprehension.
- SALARY negotiable about £6,000.

Write in complete confidence to  
Dr. W. M. Dixon as adviser to the company.  
**JOHN TYZACK & PARTNERS LIMITED**  
10 HALLAM STREET - LONDON W1N 6DJ

**Merchandise Controllers**

A progressive and independent department store requires two Merchandise Controllers to maximise the profitability and saleability of the Fashion Floor and Ground Floor areas. Reporting to the Marketing Executive, they will be involved with developing and implementing store trading policy in the selected merchandise classifications and be responsible for measuring subsequent sales performance and collation and interpretation of control data.

The successful applicants will ideally be chain store trained, under 35 and have had at least three years' experience in a selling or merchandising position and be able to offer a sound knowledge of merchandising systems. Salary is negotiable and is coupled to a pension scheme, staff discount and the usual holidays. Written applications giving brief details of qualifications, experience, salary progression and expectation should be addressed to Personnel Controller:

**MURRAYS (HIGH WYCOMBE) LTD.**  
White Hart Street, High Wycombe, BUCKS. High Wycombe 28262.

**BHP Australia**

**Senior Metallurgist Quality Control**

The Broken Hill Proprietary Company Limited is Australia's largest company whose interests include mining, shipbuilding, oil and gas production and steel making. It produces 7m. ingot tons p.a. which next year will increase to approximately 8.7m. tons. The Company is seeking the services of a Senior Metallurgist Quality Control.

**Basic Function**  
To assist and advise Management Quality Control on trends and causes thereof effecting product quality, yields and technical performance on a Corporate wide basis in order to provide Corporate management with adequate information for control of operations.

**Qualifications**  
A good degree in metallurgy or equivalent qualifications and A.I.M.

**Location**  
Melbourne, Victoria but must be prepared to be mobile to visit the Works in other states.

Salary envisaged about \$7,500 per annum. (£3,500).

For the successful applicant a free passage for himself and family will be arranged and a relocation allowance will be paid together with a resettlement allowance. After a short qualifying period the appointee will be eligible to participate in a generous contributory pension scheme, enjoy free life insurance and generous medical benefits.

Applicants who feel they possess the required qualifications are invited to write for an application form, quoting reference ST107, to

Mr. A. S. Cornhill,  
The Broken Hill Proprietary Co. Ltd.,  
Hanover House, 14, Hanover Square, London, W1R 0ND.

**Industrial Engineer**

**London**

A qualified Industrial Engineer is required for the London factory of a British-owned international group which is engaged in a major programme of reorganisation and re-equipment. He will join a recently established Industrial Engineering department, which by means of work study and other techniques will make improvements in lay-out, methods and the evaluation of new plant, whilst establishing the necessary data for production planning, costing, waste control and the measurement of plant and departmental efficiency. He will be experienced in work study. A formal qualification in Production Engineering would be desirable as would experience in the paper, print or paper converting industry.

Age up to 35. Salary negotiable around £2,500 according to age and experience.

Please write giving brief description of career details, age and present salary to Position Number AC1 2894, Austin Knight Limited, London, W1A 1DS. Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

**AK ADVERTISING**

**Manufacturing Manager**

**Scotland** £4000 plus

A major manufacturer, located in Scotland, with an international reputation is now seeking an outstanding professional to join its factory management team.

He will be responsible to the Production Director for the operational efficiency of the line management function within a medium/heavy engineering plant, controlling a work force of over 400 and motivating a support staff of over 30. This key appointment offers scope within a stimulating environment where a MBO programme has been operating for a number of years.

This calls for an engineering graduate with experience of metal fabrication who should have already worked for companies pursuing enlightened management policies. Those in their thirties are most likely to have gained sufficient experience to meet the challenge of this responsible senior management position. Attractive fringe benefits exist and assistance will be given with relocation expenses where appropriate.

Write with full personal and career details to David Gillman, Regional Manager, Austin Knight Limited, 176 St. Vincent Street, Glasgow, C.2, quoting reference A GM 530.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter.

**AK ADVERTISING**

**EXPORT ENTREPRENEUR**

World-wide international trading group would like to meet successful young exporter with professional approach and wide contacts with a view to joining them in developing large scale overseas business.

Apply in writing to M. E. Holmes, Duncan Fox & Co. Ltd., 48 Fenchurch Street, London, EC3M 3NP.

**MERVYN HUGHES ASSOCIATES LIMITED**  
Management and Executive Recruitment Consultants

Trent House, 59 St Mary Ave, London, EC3A 8BA  
Telephone: 01-253 0437

**WHOLESALE CASH AND CARRY DEVELOPMENT**

A large and continuously expanding Group of Companies is forming a new subsidiary to promote a national chain of Cash and Carry Wholesale Centres distributing a comprehensive range of goods. A Chief Executive, aged up to 40, is required who by reason of his business creative ability, entrepreneurial qualities, wide experience and proven record of success in the wholesale cash and carry field is fully competent to head the new company and to aggressively promote its success. He will have the support of a wealth of talent covering every aspect of development operations and finance and successful performance will lead to appointment as Managing Director. Salary and car—share of equity and other benefits by negotiation.

Applications in strict confidence under reference S3677 to Col. H. D. Muggeridge, O.B.E.

**A HIGHLY RESPONSIBLE INDIVIDUAL ROLE—MIDLANDS**

This is a new key appointment which offers excellent prospects of advancement as Credit Controller of the newly formed retail subsidiary of a major Group (consumer durables) with a large widely distributed chain of retail outlets. An appropriate degree of specialised experience at senior level is essential allied to full competence to accept responsibility for all aspects of credit control including surveillance over new business, substantiation of credit worthiness, supervision of documentary procedure, credit records and debt collection. Normal fringe benefits and assistance with removal expenses.

Applications in strict confidence under reference S3678 to D. G. Muggeridge, M.B.E.

**European Sales/Marketing Manager**

Knowles Electronics Ltd., an international Electro Mechanical components manufacturer located in a pleasant part of rural Sussex require a professional executive to head up their expanding European Sales operation. The company manufactures high quality miniature electro mechanical components and rapid expansion has taken place in both the U.K. and European markets.

The successful candidate must demonstrate proven success in marketing sophisticated applications of high technology audio and electronic products in export markets. He will possess the ability to liaise at high level amongst both managerial and professional staff within the company and its international clients. Corporate objectives are high and strong qualities of leadership, drive and determination will be necessary to accomplish these targets.

Our man is likely to be aged 35-45 and possess a degree in physics or electronics. A first class salary will underline the importance given by the company to this position.

Generous fringe benefits including contributory pension plan, free life assurance, B.U.P.A., company car and annual bonus are offered. If you feel that you measure up to these exacting specifications write or better still telephone me, reversing charges either at Burgess Hill 5432 during office hours or at Brighton 31308 after 7 p.m.

A. Hurst, Personnel Manager, Knowles Electronics, Victoria Way, Burgess Hill, Sussex.

**Knowles ELECTRONICS**

**Branch Manager £10,000+ INTERNATIONAL BANK-LONDON**

A leading American Bank seeks a Branch Manager to take charge of its UK operations following the expansion of the recently formed European Headquarters. Reporting to the Vice-President, Europe, the appointment will also be of Vice-Presidential rank. The likely candidate will have had substantial experience of the Sterling Market in commercial and possibly merchant banking in London. While academic qualifications would be an advantage, the prime requirements are proved ability in business getting, administration and technical banking knowledge. Familiarity with International banking would be useful.

Age probably 35/45. Salary and other benefits will be negotiated on an attractive scale to suit a man of the right calibre.

All applications will be treated in strict confidence and no information will be disclosed to our Client without permission. For further information please write or telephone us, the Bank's advisers on this appointment, addressing your queries to R. M. Marshall (01-799 3504).

**Urwick, Orr & Partners Limited** Personnel Selection Division  
2 Caxton St. London SW1H 0QE

**EXPERIENCED SALESMEN OF COMPUTER PERIPHERALS**

Our clients, from a well-known international company, are expanding their range of data handling equipment. So they need more good salesmen.

If you're between 25 and 35 with either 2 years experience selling computer peripherals (or one year's experience selling peripherals and 3 years' selling office machines), you could be their man.

If you are, our clients are prepared to pay you at least what you're earning now, for an agreed training period. After training you'll be paid a combined basic salary and bonus, with a high proportion of earnings as a basic salary.

Apart from the good salary, you'll also get an interest free car loan and a generous car allowance to go with it. You'll also get free life insurance. Which'll be worth four times what you're earning.

If you're interested, we'll arrange a private interview after office hours in a convenient place.

Please write, giving brief details of your sales experience, and a telephone number where you can be reached.

We'll contact you before arranging a meeting with our clients.

Executive Management Service (London and North Midlands Divisions), 25 St. George Street, London, W1R 0NT.

**RESEARCH DIRECTOR**  
Potential Managing Director

We are looking for a Research Director, who has the ability to become Managing Director within five to six years.

Our clients are international leaders in the manufacture of highly sophisticated electronic equipment—a fact acknowledged by a Queen's Award to Industry for technical innovation.

The Research Director will be responsible for all aspects of electronics, mechanical, system and software design, with a working budget of £2 million per annum. Candidates, aged 30-40, should have a knowledge of integrated circuits, small computers and software, and be of the highest technical, creative and intellectual calibre. Salary £7,000-£8,000.

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Potential Managing Director

We are looking for a Research Director, who has the ability to become Managing Director within five to six years.

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## Sperry Rand in biggest ever computer deal

BY KEITH RICHARDSON, Industrial Editor

IN THE computer industry's biggest-ever merger Sperry Rand Corporation is to take over the sales and technology—but not the manufacturing facilities—of RCA's defunct computer operations, it was announced in New York late on Friday night.

The combined group will have world-wide computer sales of over \$1 billion a year, putting it into the number one position just ahead of Honeywell-General Electric (which last year sold \$860 million of computer equipment) although still far behind IBM's \$7,500 million.

Neither of the two partners has a major direct presence in Europe (in contrast to Honeywell). But the move clearly indicates keener competition from Sperry Rand's Univac computer division, which has already won substantial European orders on the basis of its US Government-financed scientific and communications know-how (and was the airlines' favourite candidate for the London Airport Cargo System which the British Government insisted in passing to ICL).

The move may also give Siemens, Germany's main contender to hang on to its RCA technology and thus diminish its interest in joining any ICL-headed European association.

The announcement, made by Frank Forster of Sperry Rand and RCA's Robert Sarnoff, said

December 17 is the target date for signing a sales agreement. The proposed deal is that Sperry will pay \$70 million in cash next January, plus a percentage (yielding another \$30 to \$60 million) of the following five years' profits.

Of RCA's 10,000 computer employees, 4,000 have already been laid off following RCA's decision last September to pack in this highly unsuccessful operation. Only 2,500 will be transferred to Univac, mainly engineers, analysts, programmers and salesmen, together with RCA's leasing and maintenance contracts, test facilities and stock of spare parts.

In little over a year, at a time of extremely difficult trading conditions, the US computer industry has thus been transformed. In September 1970 the technology-minded General Electric, after losing \$100 million on computers in four years, sold out to Honeywell, whose salesmen have been the most consistently successful—after IBM—in the business.

The new merger will establish another group which is also clearly strong enough and aggressive enough to compete with IBM. The smaller US companies, Control Data, Burroughs and National Cash, are doing computer equipment business on a much smaller scale, comparable to Britain's ICL (sales £131 million) and may now feel impelled to take steps to protect their own position.

## Davies takes over Euro-negotiations

INDUSTRIAL SECRETARY John Davies is preparing to take over the major role in negotiations with Europe from both the Foreign Office and the Treasury.

The crucial job of integrating industries, companies and all sections of the economy with the Common Market is to be passed to Davies' Department of Trade and Industry. As soon as Edward Heath has signed the formal Treaty of Accession next month Davies will set in being a broadly based European Division, with a team of officials headed by deputy secretary Roy Denman and under-secretaries Patrick Shovelton and Peter Preston.

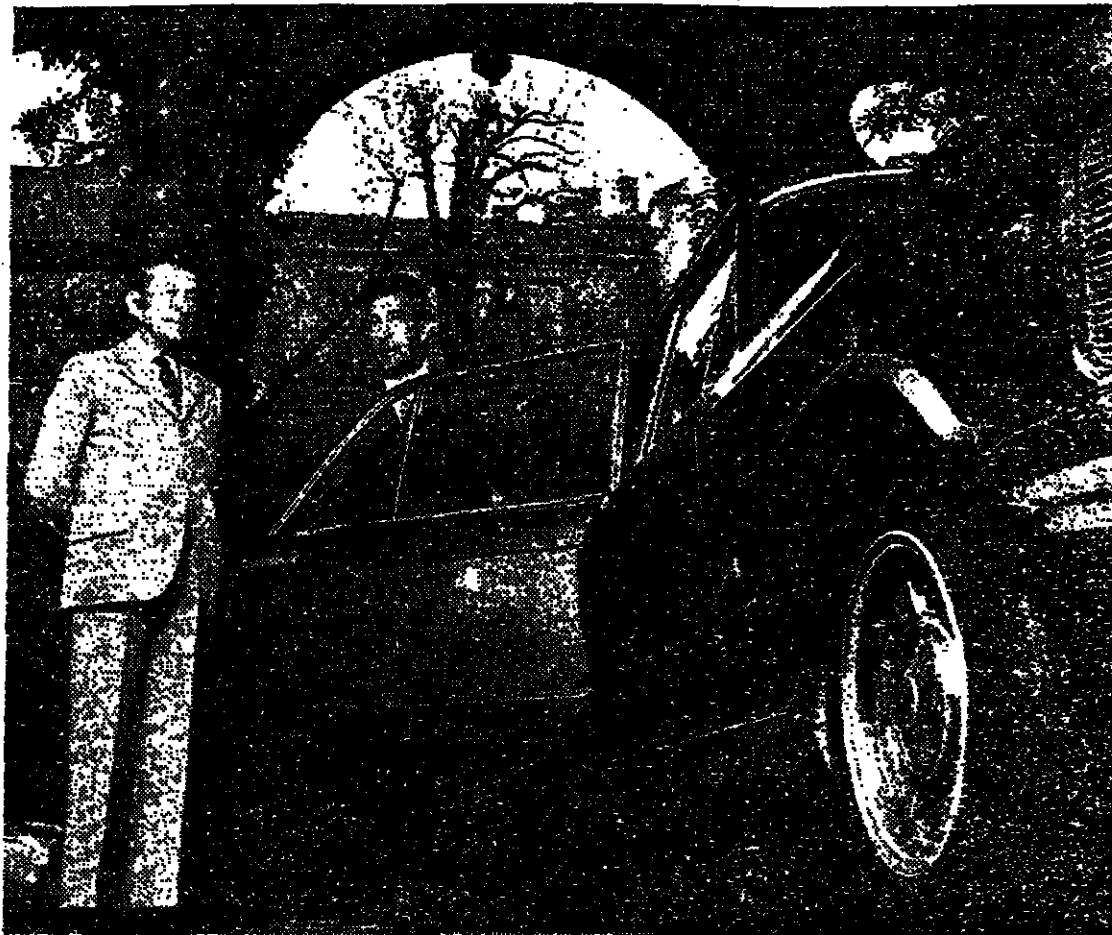
Already the principal civil servants involved are commuting weekly between London and Brussels to prepare the plans for

linking Britain into the complicated European industrial structure and to examine the legal, pricing, tax and marketing problems which will arise.

Because the already overstrained Davies will become the Cabinet's key member for streamlining Britain for Europe, the question is certain to arise as to whether the Prime Minister will ease the load by appointing a second Cabinet Minister for Trade and Industry.

The Department is developing two specific departments, one to help organise and advise British industries for their European role, and another to help individual companies which have no previous European experience.

James Margach



Silvio Turati and his son and his Fiat in the Palazzo Carpano

## Watch out for the Mes drinkers

BY STEPHEN ARIS, Turin

TAKE A bunch of carefully selected Sicilian grapes, extract a white wine, add fortifying alcohol, sugar and, most important, a secret mixture of more than 80 herbs. Heat the resulting concoction to around 75 degrees C, then rapidly cool and you have a recipe not only for one of Italy's best-known drinks, a bitter tasting vermouth called Punt e Mes, but a formula that has been making large and steady profits for its owners for almost exactly 100 years.

So far, very few of these profits come from Britain, where Punt e Mes is almost unknown. Of the 18 million bottles of Italian vermouth drunk last year, Punt e Mes' share was about one fifth of 1%. But Carpano hopes to change all that. Last June it signed a marketing agreement with Bass Charrington, Britain's biggest brewers, who have worked wonders over the past five years for Vat 69 and Bacardi. Like these two, Punt e Mes is immensely strong on its home ground and, by exploiting this strength, Bass Charrington hope

to stage a repeat performance. The target it has set itself is 300,000 bottles by 1973—quite a jump from the present level of 36,000 bottles.

That is for the future. For the present the firm remains a very Italian firm of the old school—tightly-run, family-dominated and very private. The headquarters of Carpano are to be found in a perfectly preserved 17th century baroque palace.

There beneath a heroic portrait of Vittorio Amadeo, an 18th-century king of Sardinia, sits 83-year-old Silvio Turati who, with his son Achille, is the sole owner of Carpano. As the company is an accomandita, a limited private partnership, the profits or more than £350,000 a year flow to the Turati family alone.

Despite his aristocratic surroundings Silvio Turati remains very much in control of the company that has provided him with the bulk of his fortune. The family

still has part of its original textile business, owns a share in a French bank and owns investment property in the South of France but Carpano remains the heart of the Turati empire. "I have not the slightest intention of selling," says Turati, though he admits there have been plenty of offers.

Originally Turati was a textile man. Throughout the Twenties business prospered, but by the outbreak of war he had realised that textiles was not a growth industry and began to cast about for alternatives. The break came in 1940 when the widow of the Carpano family offered the firm to him.

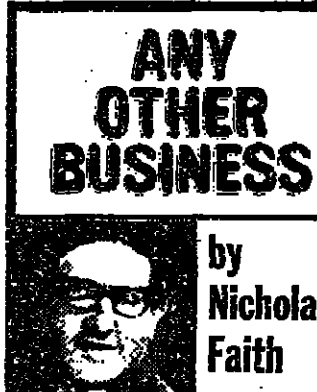
With the end of the war Carpano began to take off. Sales riding on the back of Italy's post-war boom, have multiplied threefold since 1945. But the market for a product that cost 65% more than its nearest rival is not infinite, and for the last six years there have been signs that saturation point has been reached. Hence the growing emphasis on the export front.

## A world seen, and ruled, from Texas

£ YOU KNOW, of course, that Texas is really only as big as Rutland? You didn't? Well then, you, like many-makers, visitors and the mass of observers over the past few hundred years, have been taken in by Texas salesmanship and have been persuaded that it is a pretty substantial place. This delusion, and not any nonsense about the American balance of payments, the price of gold, SDRs, or currencies floating dirtily around the international monetary scene (a new form of pollution?) are at the heart of the present worries about trade wars, the dollar crisis, the forthcoming slump and other topics which are making the fortune of economic pundits the world over. For the vital fellow in the present troubles is John Connally, now Secretary of the Treasury in a Republican administration, formerly Democratic Governor of (and archetypal wheeler dealer from) Texas.

Apart from their salesmanship, Texans are characterised by an extreme parochialism: they even teach Texas history in the school (fancy teaching the history of Rutland for a dozen years), and their politicians tend to be larger than life. Connally's boss, R. Nixon, though a Californian goes along with the Texan way of life. In Washington this is known as "situational ethics," in other words, you invent a moral code to suit the electoral needs of the moment. No wonder European bankers, weighed down by the traditions of the centuries and by religious, capitalist, and even bankerly ethics (for there are such things, though they tend to boil down to the simple credo: thou shalt not steal everything, except possibly from the poor) are mystified. But you needn't be. Just think of the phrase "What's good for Texas (if bored substitute Rutland) is good for the capitalist world," and carry its implications through to American policy as a whole.

First thing to remember is that President Nixon wants to be re-elected in 1972, and John Connally wants to follow him in 1976 (his position is so strong that it's already rumoured he won't stand as vice-president in 1972 unless Nixon agrees to back him in 1976). To achieve this desirable aim, the pair of them have to deliver a massive economic recovery next year. And the foreign economic policy of the US Government has to play its due part in the recovery. That's it: that's what Connally's raw, brash huckstering around the



ANY OTHER BUSINESS by Nicholas Faith

world's financial capitals is all about.

So you can forget any nonsense about the US's obligations to the rest of the world and any distinction between capitalist and Communist. Never mind if this makes enemies of all those countries—Germany and Japan especially—which have admired and imitated the Americans since the war: the long term results of the disillusion can be left till later, after the election. Never mind if friendship with the Communist world breaks every strategic embargo of the last 25 years and reverses a policy on which Nixon has based his whole political career.

In political terms this reversal has led to the rapprochement with China: in economic terms it is involving a series of massive deals with the Russians. These are both safe trading partners: for the jobs of good American voters making television sets or cars are not threatened by imports from some Russian Sony or VW or Toyota (in those terms the British would also count as goodies since not many of our exports threaten American jobs).

£ For the principal enemies remain Japan's industry and the Common Market's agriculture. The American workers are up in arms about the threat from the East (even though it is of course, to the West of the US a threat from hordes of insatiable rice-eating underpaid Westerners just doesn't sound right somehow). The unions have even branded the Nixon rapprochement with China as part of a plot to flood the US with cheap Chinese-made goods. So it wouldn't be at all surprising if Japanese exports were forced down, by any and all sorts of protectionist devices. The Americans could also screw the Common Market's agricultural

policy: American farmers (traditionally Republicans, but year they are highly aggressive and militant. They don't get protection. They don't get improved outlets for exports of the food they produce so cheaply. Hence a massive year grain deal with Russia, you may be sure, a drive to get the Common Market to admit more American foodstuffs. That such a deal could upset the Six's Common Agricultural policy neither here nor there.

But be of good cheer: no Texan schemes work. George, a Texan who has just been minded, as they say, the unanimous election of the US, friend Taiwan from the UN, course in the macro, Nixon overruled this didn't ma Taiwan had no votes, even Texan bluff cannot dis American financial problems ever, so that some sacrifices be necessary. These won't America's post war at the could also be the US's companies.

Now, in proper Social theory, it is these far-flung companies which dictate US policy. But they have also contributed greatly to the US's problem. They have exported vast sums of money (they sent nearly \$2 billion to Europe alone last year) and didn't help the American balance of payments. What recently into establishing ties making computer ponents in Taiwan or radio in Hong Kong, or any labour-intensive businesses, where where labour was cheap and the result of this sweat effort has flooded the American market.

£ So they could be a vulnerable. But one of the Republican party often been the party of sm rather than big business. A of its support comes from companies which care as little as General Motors' foreign interests as they do about the foreign themselves. And, of course, American working men use their activities abroad. So a should Connally and Nixon worry about these companies. They don't care about the heat of American capitalist imperialism (or imperialist capitalism that matter). They want out and there could be some expected victims of this single minded desire. What's good Texas (or Rutland) may not good for General Motors, but it cares?

# Now SLATER WALKER offer the sure and simple way to make your money grow

Everybody wants to see their money grow and protect them against inflation. But nobody wants to lose. Until now, in order to get growth potential, you had to accept some risk of loss.

Now Slater Walker have developed the answer that investors have been seeking, offering this unique combination of features for a single investment of as little as £250:—

### How you invest

One single payment which can be as little as £250—or as much as you like.

**How your investment is guaranteed against loss**  
Slater Walker Insurance guarantee that your original invested sum can never fall in value.

**How your capital is invested**  
In the Slater Walker Life Fund. It comprises a balanced spread of investments, including Equities, Property and Fixed Interest Securities selected and managed by Slater Walker's investment experts, who will take full advantage of opportunities for growth, while at the same time paying due regard to the basic elements of security sought by the majority of investors.

### How you participate in profits

To avoid your becoming confused by fluctuations in unit values and technical terms such as bid and offered prices, Slater Walker Insurance declare an Annual Dividend, the value of which is added to your Bond. The Annual Dividend represents your Bond's share in the profits of the Life Fund and for simplicity, is expressed as a percentage of your investment. It is paid not only on the value of your original investment but also on the accumulated value of Dividends already declared. The level of Dividend reflects investment performance and the value of the Annual Dividends is permanently guaranteed once declared.

The Company will announce the rate of Dividend before the end of March each year, and Bondholders receive a Notice showing the amount added to their Bond within one month of each policy anniversary.

Commission of 10% will be paid on any Application bearing the stamp of a Bank, Insurance Broker, Solicitor, Accountant, Estate Agent, or other person authorised by Slater Walker Insurance to receive such commissions. The Commission is payable only on the net amount of the premium, and the life cover may be reduced.

### Dividends are free of tax

Dividends are free of tax and this means that the equivalent gross return to a standard-rate tax payer, on the following projected rates of Annual Dividend, would be as follows:—

Rate of Dividend	Equivalent Gross Return
4%	6.5%
6%	9.8%
8%	13.0%

### No additional charges

The cost of life cover and expenses are met out of the Life Fund, and are taken into account before the Dividend is declared.

There is no initial charge and the whole of your investment qualifies for dividends.

### How your profits once added cannot be reduced in value

Once Annual Dividends have been declared they cannot be subsequently reduced in value or taken away. This means that you cannot lose the value gains you have built up in your Bond during good investment years if, at the time you choose to cash-in, investment values generally should be at a lower level.

### Guaranteed Life Cover

If you should die while the Bond is still in force, your dependants will receive the Guaranteed Life Cover according to the table below. This Guaranteed Life Cover is always greater than your Bond's accumulated value, and varies according to age at death. Example:—

Age at Death	Amount of Cover as % of your Bond's value
30	350%
40	240%
50	140%
60	114%
70	104%
75 or over	101%

The full table appears in the Bond Document.

### 1. Investment Management by Slater Walker.

2. Absolute security for your capital, which can never fall in value.
3. Annual Dividends which are added to your Bond each year and which can never be reduced in value or taken away.
4. The facility to cash-in your Bond with freedom from all charges at the end of 5 years.

5. The facility to take the Annual Dividends in cash each year free of income tax, capital gains tax and surtax.
6. Life assurance cover which is guaranteed and is always greater than the value of your investment.
7. Significant advantages to surtax payers.

To: Slater Walker Insurance Company Limited  
124 Queen Victoria Street, London EC4V 4BS Telephone: 01-236 4236  
(A member of the Slater Walker Group whose gross assets exceed £180 million)

Full Name MR/MRS/MISS. (BLOCK LETTERS, PLEASE)  
Address  
Date of Birth  
Occupation  
Amount £ (I enclose a cheque (minimum £250) for this amount payable to Slater Walker Insurance Company Limited.) I wish to withdraw my Dividends in cash ☐ Please leave my Dividends to accumulate ☐ tick  
Name and address of your usual doctor (Normally no medical evidence required)  
Details of any consultation with any doctor within last five years. (Except minor ailments requiring single consultation only.)  
Signature of applicant  
Please state height and weight  
Date

DECLARATION: I wish to invest in the Slater Walker Guaranteed Security Bond and I declare that I am in good health and that the above statements are true and correct. I consent to the Company seeking information from any medical adviser who has attended me and allowing information from any other insurance company to which I have applied for Life Assurance and I authorise the disclosure of information to the Company. I agree that this declaration together with any annual statement made to the Company's medical examiner shall be the basis of the contract between me and Slater Walker Insurance Company Limited and I will accept the usual form of Policy issued by the Company for this class of Assurance.

## SLATER WALKER

### GUARANTEED SECURITY BOND

### Enjoy an Annual Income free of all taxation

In accordance with current legislation and Revenue practice, Policyholders are entitled to withdraw the amount of any bonus additions to their Policies without incurring any liabilities for income tax or capital gains tax or for surtax (or its equivalent). As Dividends earned by a Guaranteed Security Bond qualify in this way you may enjoy a completely tax free income by withdrawing your Annual Dividends in cash each year.

There may, in certain circumstances, be a liability to surtax (or its equivalent) when the Bond is finally cashed-in or on death (see note on tax position).

### Cashing the Bond

Your Bond is designed as a medium term investment and although it is wise to leave it in force for five years you may cash it in at any time subject to the surrender charges listed below which are deducted from your original investment. Any dividends added are not reduced and are paid in full.

Complete Years in Force	Percentage Deduction from Original Investment
1	9
2	8
3	6
4	4
5	0

At the end of five years (on the fifth policy anniversary) you may cash in your Bond and receive the full accumulated value free of all surrender charges and deductions and free from capital gains tax and income tax. You may keep your Bond in force for as long as you wish. On the 10th, 15th, 20th, and so on indefinitely—anniversaries of your original investment, you will receive a special Extra Dividend of 5%.

of the accumulated value of all accrued dividends.

On these anniversaries you may cash in your Bond with complete freedom from all surrender charges and deductions (you may, of course, cash-in your Bond between these anniversaries subject to a small surrender charge; details are contained in the Bond Document).

### The tax position and advantages to Surtax payers

Under current legislation the proceeds of the Guaranteed Security Bonds are completely free of income tax and capital gains tax.

On cashing-in the Bond there may be a liability for surtax (or its equivalent) if at the time your total income, including a proportion of the profit on the Bond (calculated by reference to the number of years for which it has been held), brings you into the higher tax bracket.

If you have drawn any of your Annual Dividends in cash the total amount withdrawn would be taken into account in determining whether there is a liability for surtax on cashing-in or on death.

The advantage of this provision is that it enables Bondholders who are surtax payers to defer their liability into the future and enables them to choose the most advantageous point at which to cash their Bond, by which time a reduced income (by virtue of retirement, for instance) could mean that the surtax liability is significantly reduced or removed altogether.

### How to invest

Simply complete the application and send it with your cheque to Slater Walker Insurance. You will receive an acknowledgement, and subject to acceptance, your Bond will be sent to you when your application has been processed.

This offer may be closed at the absolute discretion of the Company. Applications will be dealt with strictly in the order in which they are received.